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## Near East/South Asia Report

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24 July 1984

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AZNAVOUR GIVES OWN VIEWS AS 'MEDIATOR'

Paris LE MONDE in French 20 Jun 84 p 16

[Article by Michel Castaing, special correspondent to Paradou (Bouches du Rhone)]

[Text] A very discreet but perhaps "historic" meeting--time will tell--took place Saturday 16 June in the biblical setting of the Provencal hinterland. As a matter of fact, under an arbor in Paradou (Bouches du Rhone) Charles Aznavour received two Turkish journalists, Ragip Duran, BBC correspondent in Paris, and Erol Ozkoray, who is in charge of the Istanbul "records" of NOKTA, a weekly publication read by the Turkish intelligentsia.

The two journalists had asked the singer, who is French of Armenian origin, to have a talk with him, after the interview he granted the MONDE AUJOURD'HUI (dated 10-11 June) and in which he hoped in particular for "a dialogue, an opening" between the Armenians and Turkey. Charles Aznavour agreed to have this interview.

In a very relaxed atmosphere, the author of ILS SONT TOMBES [They Have Fallen], the song about the Armenian genocide of the years 1915 and 1923, for 3 hours desultorily reviewed, for the benefit either of the leaders, or Turkish public opinion, all the topics and reflections he had developed for LE MONDE AUJOURD'HUI. Affirming he was "against violence", but "understood" the despair of young Armenian activists fighting for "recognition of historical facts," and emphasizing that the latter had happened under the Ottoman Empire and not under the Turkish Republic, he again paid tribute to "the understanding" of the Ankara leaders, although stating in substance: one must be resolutely understanding, and not becloud "the true history of one's country." Questioned by the Turkish journalists about attacks on Turkish diplomats, the singer merely replied all that was "a pity."

Disclosing that M. Ara Toranian, leader of the Armenian National Movement (MNA), had asked to meet him and that he had agreed to receive him soon, Charles Aznavour reiterated there was no question of his going beyond the role of "getting some men for good will around a table" "I am first and foremost an artiste," he repeated. Thus, after the shooting of the six-installment serial in which he is participating, to be finished at the

end of August, and which Denis de la Patelliere is producing under the title of LE PARIA [The Outcast]--whose broadcast is planned for April 1985 on the third channel--he will make a tour of southern France with Liza Minelli.

In the presence of the two Turkish journalists who were finally captivated by the many facets of the celebrity, the author of IL FAUT SAVOIR declared with a broad smile, "I have never abandoned my roots, quite to the contrary, and I have enlisted in the Armenian cause, but I am an honest-to-God Frenchman." [Je suis un Franchouillard]

9772

CSO: 4619/57

TURKISH REACTION ON AZNAVOUR INTERVIEW

Paris LE MONDE in French 20 Jun 84 p 16

[Article by Artun Unsal, correspondent in Ankara]

[Text] Ankara--Charles Aznavour's "mediation" offer between the Turks "whom he respects" and the Armenians "whom he loves" received scarcely any response, either in the press, at least until now, or in official circles.

Sources close to the Turkish Foreign Ministry declined to make any comment, limiting themselves to pointing out: "We are not Aznavour's interlocutor and in consequence his proposal has no practical effect."

A personage who would speak "only personally," however, did point out that M. Aznavour's declaration represented "in overall terms" the general feeling with regard to Turkey which prevailed in the "both moderate and realistic" Armenian Dispota. "To say the Armenian cause is hopeless is a courageous stand, which will certainly not be pleasing to hardened fighters for that cause." According to the same source, however, still speaking "privately," [our interlocutor noted that] the difference the French singer established between the Ottoman Empire and the Turkish Republic "is in danger of finding neither official nor intellectual support in Turkey." Such is also the opinion of Professor Mumtaz Soysal, a leftist intellectual: "We are very sensitive about Ottoman history. We have no intention of disavowing our ancestors. It is not a matter of contrasting Ottomans with Turks." In other words Turks have no desire whatsoever to repudiate their roots. "If we did so we would be admitting the Ottomans appeared to be guilty."

That being said, Professor Aoyosal received "very favorably" the proposal for a dialogue between Turkish and Armenian intellectuals. "We are also ready to discuss the past, provided the dialogue takes place on an objective, and not an impassioned, basis. But why not have the discussion directed more toward the future than the past?"

In general the Turks we questioned consider the accusations levelled against the Ottomans can never lead to a positive outcome.

Charles is still a very popular singer in Turkey, where he has come several times to give recitals.

Moreover, the famous singer here, Zeki Muren, has performed one of Aznavour's very well-known songs, LA MAMMA, in its Turkish version.

Turkish intellectual circles, mainly those of French training, term Aznavour's stand as very positive. However, the most realistic persons consider that while a dialogue is possible, its results could have only limited effect. But they add that such an attitude is preferable to silence on both sides.

9772

CSO: 4619/57



## ALGERIA

### ALGERIA'S ENERGY, OIL-GAS POLICY DEFINED

Statement by Belkacim Nabi

Algiers EL MOUDJAHID in French 15-16 Jun 84 p 9

[Article signed L.S.: "At the Press Club: Algeria's Energy Policy (As Presented by Mr Belkacem Nabi)"]

[Text] Forthcoming creation of an institution in charge of orienting national consumption.

The energy policy and its prospects, gas sales, the situation within OPEC, domestic energy consumption patterns, the dependence of our foreign trade on oil and gas, such were the main subjects discussed Wednesday evening with Mr Belkacem Nabi, member of the Central Committee and minister of energy and chemical and petrochemical industries, at a Press Club meeting organized by the Algerian Journalists Union.

After a preliminary statement by the minister, the meeting turned into a fruitful and profitable debate on the 10 or so questions submitted, which lasted over 2 hours.

As a backdrop to this meeting was the reassertion of the recommendations contained in the resolution on energy adopted in December 1980 by the Central Committee of the FLN Party, especially concerning the rational development of non-renewable resources (gas and oil) so as to ensure the regular long-term supply of the national economy.

The minister stated that the energy sector will continue to play an important part in financing the national economy but that, from now on, all efforts will be directed, on the one hand, to increasing receipts other than from oil and gas so as to reduce the country's dependence on these products and, on the other hand, to defining a domestic energy consumption model that would enable Algeria to steer clear of what Western countries used to be blamed for, i.e. waste.

In this context, the minister announced the forthcoming creation of a specialized institution that would be in charge of orienting domestic consumption in all fields: industry, transportation, household goods consumption, etc.

To illustrate the need for such an institution, the minister compared our reserves, consisting of 80 percent of gas and 20 percent of oil, with consumption, which is essentially based on oil products.

He also pointed out that consumption is increasing rapidly (2 million tons of oil equivalent in 1962, compared to 15 in 1984) and is characterized by very low prices, which started being raised only last year.

How to increase revenues other than from oil and gas (oil and gas account for 95 percent) to reduce our dependence on these products, how to continue oil and gas development to finance economic development, how to guarantee regular long-term supplies to the country, and especially how to preserve the country's independence in making political decisions and how to safeguard its options, such were the subjects that kept recurring during the debate.

This caused the minister to discuss international economic conditions and the battles that must be fought both for gas (negotiations with the Spanish are at a standstill and our dispute with the two U.S. companies is progressing toward arbitration) and for oil.

With respect to OPEC, Mr Nabi pointed out that this organization is still holding meetings and should have its say, although two of its founding members are at war.

Concerning the Iran-Irak war, a conflict in which the only winner is the West, the minister reasserted the position of Algeria, which was always actively in favor of peace, although the western press and the disinformation it spreads keep saying that oil-exporting countries will benefit from this war which is killing tens of thousands of people.

As far as gas is concerned, now that the demand for energy is declining, attempts are being made to reduce the price advantages we obtained in the past.

Thus, the West appears to prefer situations determined by prevailing conditions rather than a profitable long-term cooperation. Yet, as far as we know, industrialized countries have not solved their energy problems.

In this context, much disinformation is published, Mr Nabi stated. In the case of gas, he said, there appears to be an alliance of interests to put an end to the "Algerian precedent" which is in favor of a just remuneration for gas.

Thus, the gas battle is not yet over. But much experience was acquired in this field.

Mr Nabi reasserted Algeria's determination to defend to the end its right to the just implementation of the agreements signed and to guarantee the price valorization of this non-renewable resource.

Concerning the effects declining oil prices may have on the country's economy, Mr Nabi stated that our country remained relatively protected, as it is the only OPEC country whose revenues have not changed from 1980 to 1984, as Algeria's oil and gas exports were always planned as a function of its economic needs.

Concerning domestic consumption, Mr Nabi pointed to the progress achieved to provide electricity to the whole country, a task that should be completed by 1987.

When asked about LPG (liquefied petroleum gas), the minister indicated that, by the end of 1984, 5,000 vehicles would use LPG, and that the development of this replacement energy will be continued.

The minister also discussed the exploration program, the importance of substituting other forms of energy, especially gas, for oil in all sectors of the economy, and the present urgent need to develop means to save non-renewable forms of energy, and in this respect he stated that the situation as it will be in the year 2000 is already being considered, and that a study will be made.

#### Energy Outlook

Algiers EL MOUDJAHID in French 22-23 Jun 84 p 3

[Article: "Cabinet Decisions; Energy: Prospects for the Year 2000"]

[Text] Algiers (APS)--Wednesday, at a cabinet meeting chaired by President Chadli Bendjedid, general secretary of the FLN Party, the report on the national energy policy was examined.

The working program derived from an examination of this report, which was prepared by an interministerial group, illustrates very clearly the government's determination to translate the slogan of the Fifth FLN Congress into facts.

As a result of the examination of this dossier, 30 decisions were made, each of which has clear objectives and a well-defined content; a schedule has already been established for their practical implementation.

In this field, it is necessary to envision clearly the long-term evolution of projects and some time is required for decisions to ripen. Therefore, on the eve of the five-year plan, the government examined the valorization prospects of oil and gas resources as a whole over the next 15 years. Actually, the report extends these provisions beyond the end of this century and, taking into account the factors that are already known, considers the evolution of exports and national consumption and, therefore, the level of production throughout the next decade.

This section of the report is extremely important: it makes it possible to estimate how much foreign currency the country can expect from its exports

not only during the next plan period, but also during the following two development plan periods, and therefore makes it possible to assess what effort is required of the nation to ensure transition from oil to other forms of energy under the best possible conditions.

Now that the post-oil era is covered by a planned working program, it is obvious that decisions on the operations considered will be taken in the light of present data. In estimating resources, these operations do not take into account the results expected from the effort presently made to increase oil or gas resources and to alter domestic consumption patterns to give them the required degree of rationality.

Algeria does not have large rivers nor large coal deposits; clearly, coverage of its long-term energy requirements can be reasonably expected only from oil and gas. Therefore, Algeria's present and future efforts will be increasingly oriented to increasing the nation's strategic oil and gas reserves.

Increased reserve accumulation and development acceleration should progressively result from an increase in the national production of goods and services, from export diversification and from decreased purchases from foreign countries as far as realization means, consumer goods and production equipment are concerned.

In this context, the cabinet decisions have two objectives involving, first, the energy supply, improvements in its structure and the organization of its distribution, and then energy demand, i.e. the coordination of efforts to put an end to the waste that now prevails throughout the world economy. Thus, the part played by gas in the domestic energy consumption should be in proportion to its importance in the country's oil and gas reserves.

This will require stepping up our efforts in building the natural gas distribution network, in accordance with government decisions. Also, the use of a butane-propane mix as a fuel for vehicles fits in with this substitution policy, which is designed to rationalize energy consumption patterns in our country.

The second objective will require greater efforts, both to develop the resources that remain to be discovered and to improve the exploration of known deposits.

The development of our underground potential resources will be covered by new laws and regulations that will increase the role played by national means and at the same time organize the framework in which international cooperation is to take place.

To improve the conditions under which known resources are developed, an increased effort will be necessary in order to recover a larger proportion of the oil and gas of these deposits. The development of production methods and technological development should make it possible both to prolong deposit life and to increase the ultimate tonnage of recoverable products.

The measures proposed are complemented by a number of provisions designed to reinforce Algeria's means of action and intervention at international level.

In addition to considering how international cooperation could contribute to exploration, the government also had to consider the question of Algeria's representation in consuming countries and the measures to be taken to give new impetus to international cooperation at various levels and improve its effectiveness as far as our country is concerned.

9294

CSO: 4519/192

## WORLD BANK FINANCES TRADE DEAL WITH BURMA

Jerusalem THE JERUSALEM POST in English 13 Jun 84 p 8

[Article by Macabee Dean]

[Text]

TEL AVIV. - Telrad has been awarded a \$5 million contract to instal eight TMK-10 electronic digital public telephone exchanges in Burma. Financing for the deal is provided by the World Bank. Giorion Meltzer, general manager of this Koor affiliate, said yesterday.

"Not only is this the first time that the World Bank has financed such an Israeli installation, but it is our first breakthrough into the huge Burmese market," Meltzer said. The actual negotiations were carried out by Dorian Gilon, deputy-general manager of Telrad, with the help of Ami Erel, head of marketing.

"We competed against seven of the world's giants for this contract, which was finally awarded to us and to NEC (Nippon Electric Corporation) of Japan. We are to set up the rural exchanges, and NEC is to build the urban units. NEC's part of the deal is worth \$7m.," Meltzer noted.

The other "giants" were the leading communications companies in Sweden, France, the U.S., West Germany, Belgium, and another Japanese company. Meltzer noted that NEC was only beginning to break into the field of electronic digital exchanges, and the first exchanges it had supplied, to the U.S., had not been an outstanding success.

He thought that the problem was that Japan itself had not yet installed this type of exchange at home, "and

a company needs a strong home base to test its equipment." Telrad has already installed 20 such units in Israel and in the West Bank.

Meltzer stressed that one of the problems facing his company's expansion into foreign markets (it is already well established in the U.S. and Canada) was government support. "such as is granted by Sweden, France and Italy." For example an Italian company had recently given a South American customer a loan of 50 per cent of the entire project, for 15 years, at 2.5 per cent interest, with the government guaranteeing this loan. "If this is not a subsidy, I don't know what is."

Meltzer said that the Japanese were so successful in their export drives because "they charge more for their products at home than they do abroad, and a company uses its home market to subsidize its exports."

Telrad's sales in 1983 were \$101m., a real growth of 28 per cent over the previous year. Exports grew by 100 per cent, to stand at \$32m.

The company employs 2,030 persons, of which 500 are engineers or other academicians, and another 500 are senior technicians. Of the engineers, 42 were "mobilized" in the U.S. a year ago among emigrants from Israel (*yordim*) and among new immigrants here.



## TIES WITH JAPAN SAID STRENGTHENING

Tel Aviv NEWSVIEW in English No 25, 26 Jun 84 pp 18-19

[Article by Yehonatan Tommer: "Strengthening Ties With Japan"]

[Text] Japanese participation in the recent Jerusalem Economic Conference bodes well for increasing trade

A steady growth in Japanese economic and cultural relations with Israel will soon begin. This is the prediction of government insiders, following the recent visit to Jerusalem by Masaaki Nakayama, chairman of the Japanese Israeli parliamentary friendship society. Such a development is long overdue, but closer Japanese ties will not necessarily alter Tokyo's political tilt toward the Arabs.

Jerusalem has been urging the Japanese Diet to establish parliamentary links with Israel since Knesset Speaker Menachem Savidor first mooted the idea in 1980. "Zigzags in Japan's Middle East oil supplies prevented an earlier response," Nakayama, an influential deputy labor minister in Yasuhiro Nakasone's Liberal-Democratic government, told his Israeli hosts. "This was a pity," he said, and expressed the hope that relations between the two countries would deepen.

The Japanese Israeli friendship society, which includes some 20 deputies from Japan's major political parties, was established in Tokyo three months ago. Reciprocal formation of the Israeli group, headed by former Minister without Portfolio Mordechai Ben-Porat, was delayed by the Knesset's decision in March to call early elections. "Japan is the world's third largest economic power," Ben-Porat told *Newsview*. "We must find ways of persuading her to understand Israel's problems and interests on a wide range of activities."

Though it is a world power, Japan, lacking natural resources, depends on Saudi Arabia, Iraq and Iran for 85 percent of its industrial fuel. Since the 1974 oil embargo, Japanese industry reduced its consumption by 12.5 percent; its present-day reserves will last only 100 to 150 days. Keeping transportation lanes open through the Persian Gulf is another factor which crucially weighs on Japanese mercantile interests in the Middle East.

According to Japan's ambassador to Israel, Shozo Kadota, this country has won Japan's respect for being not only an old nation reborn with democratic institutions, but also for its contribution to civilization and for its technological and scientific prowess, achieved without the benefit of natural resources and favorable topography. (A second look would suggest that such respect is also a form of identification; there are certain parallels between the two countries.)

Kadota, who took up residence in Tel Aviv last November, says that too often in the past, the Japanese public has "misunderstood" Israel. Tokyo is now set on expanding its relations.

The Japanese government recognizes the "Palestinians' right to determine their own fate, through the establishment of a Palestinian state," Kadota said. This does not, he adds, contradict "Israel's right to exist and live in peace within recognized borders."



"While the Japanese public is slowly emerging from the trauma of the oil embargo, Japanese industrial magnates have been slower to adjust," says Israel's economic attaché in Tokyo, Rafi Avimelech. "The picture is changing, however.

"Israel's technological and scientific strides are well known to Japanese businessmen and the country is establishing its place on the Japanese economic map," he told *Newsview* at the recent Jerusalem international economic conference. Eight representatives from Japan's principal steel and electronics concerns attended the conference, including the president of Commodore, a Japanese branch of the American parent computer company. "Many other Japanese specialist firms had expressed an interest in the conference but, fearing Arab retaliation, withdrew at the last minute," Avimelech added. He predicted that the conference will boost Japanese trade with Israel.

Political sources in Jerusalem point out that despite its economic power, Japan has studiously avoided endorsing the Middle East peace initiatives sponsored by other countries. An active Palestine Liberation Organization information office operates in Tokyo and the Japanese government demands a unilateral Israeli withdrawal from Lebanon without regard to its security interests along the border or the Syrian military presence there. Yet this myopic "neutrality," say the same sources, only strengthens Arab extremism.

CSO: 4400/282

## TIES WITH CISKEI SAID NOT IN ISRAEL'S BEST INTEREST

Jerusalem THE JERUSALEM POST in English 20 Jun 84 pp 1, 7

[Article by Roy Isacowitz]

[Text]

TEL AVIV. - Israeli commercial involvement in Ciskei has increased dramatically in recent months, despite the government's refusal to recognize the black homeland, which was granted "independence" by South Africa several years ago.

Among those with commercial interests in Ciskei is former finance minister Yoram Aridor, who visited Ciskei recently and is reported to have signed contracts for the establishment of two factories there. At least two other Likud Knesset members, including a deputy minister, are also believed to have invested in the homeland. Another regular visitor to Ciskei recently has been Ruth Dayan.

In a telephone interview with *The Jerusalem Post* last night, Israel's ambassador in Pretoria Eliahu Lankin condemned Aridor's involvement saying that Aridor's, "as a former minister, knows very well that Israel has no diplomatic relation with Ciskei." While such involvement is not forbidden, Lankin said, it is "likely to hurt Israeli interests."

Lankin added that he had been

under the impression that Aridor had made a private visit to South Africa, and was surprised to hear that he had paid a business visit to Ciskei.

Lankin stressed that the Israeli involvement in Ciskei is entirely private and has no connection with the Israeli government. However, one of the companies carrying out development projects in the homeland is the state-owned Agridev agricultural development company.

In addition, there have been persistent reports from European sources that Ciskei President Lennox Sebe signed weapons and military assistance agreements with the Israel government during a 1982 visit to Israel. These reports were confirmed several months ago by General Talifaard Minaar. Sebe's former military adviser, who said in an interview that he had accompanied the Ciskei president to Israel "on an arms buying mission." Israeli spokesmen have persistently denied the reports.

Fifteen Ciskei pilots have been in Israel for the past eight months, training to fly light planes at a private Herzliya flying school. School head

Ira Kertis told *The Post* that the pilots are training to fly commercial planes and that his contract with the Ciskei government has no military connotations.

Kertis has been indicted in the U.S. for false representation on export documents. The charge evidently concerns two light planes bought by Kertis in the U.S., which local authorities believed were destined for Israel, but were in fact destined for Ciskei.

Kertis told *The Post* yesterday that he had been acting as an agent for a German company in the deal, and that company officials neglected to request export licences. The matter is "very minor," he said.

Most of the commerce between Israelis and Ciskei is carried out through the Ciskei Trade Mission, based in Tel Aviv. Office head Yosef Schneider, an immigrant from the Soviet Union, claims that he and his partner Nat Rosenwasser are employees of the Ciskei Foreign Ministry.

Among the construction and investment projects organized by the Trade Mission are the building of a hospital and two schools in Ciskei by

the Israeli Gur Construction Company. Other projects are the construction of a textile factory, with investment by the Israel Discount Bank, and educational and agricultural development projects run by Degem Systems and Agridov, operating through a local subsidiary Agricarmel.

In addition, at least 13 Israeli doctors and their families are work-

ing in Ciskei on contract. The doctors have reportedly complained of "primitive or non-existent" work conditions, and some are reportedly unable to practise, due to their not having received work permits.

Lennex Sebe, a school teacher elevated to tribal chief and then president by the Pretoria government, reportedly runs one of the more brutal regimes in Africa. Dozens of commuters were re-

portedly shot down late last year after they declared a boycott of the railways, and torture and imprisonment without trial are said to be rife.

Sebe's brother Charles, formerly minister of defence and security, is in detention, along with a number of members of the president's family, for allegedly having plotted to overthrow the president. Sebe was on one of his frequent visits to Israel when the abortive coup was allegedly attempted last year.

CSO: 4400/282

## COAL PARTICLES POLLUTE BEACHES

Jerusalem THE JERUSALEM POST in English 20 Jun 84 p 3

[Article by Ya'acov Friedler]

[Text] HAIFA--Coal particle pollution, a new ecological problem for Israel, is developing on the beaches north of the Electric Corporation's Hadera power station. So far, no bathing beaches have been affected.

The results of a study of the problem published this week show that coal particles which fell into the sea during unloading have been washed ashore as far away as two kilometres north of Hadera.

The plant, the first in the country to be fired by coal, has reached full capacity. Its four 350-megawatt generating units burn 3.5 million tons of imported coal annually.

In the three years, 3.5m. tons of coal have been unloaded at Hadera, first at an off-shore anchorage and, since 1982, at a pier 2km. out to sea.

The study was carried out by Sarit Averbach, of the Technion's architecture and urban planning faculty, with the assistance of the corporation and the Oceanographic Institute.

The extent and seriousness of the new problem have not yet been determined.

Annual samplings of the seabed since January, 1982, brought up coal particles at a rate ranging from zero to 1,679 grams per square metre of seabed sampled. For technical reasons, the findings can only be seen as indicating a trend.

The study shows that the particles are washed northward by prevailing currents.

Unloading in Haifa harbour, rejected for "ecological reasons" though it would have saved millions of dollars, would not have produced the problem, as the particles would have been kept inside the harbour by the breakwaters.

Discussing the report this week, experts agreed they could not yet predict whether the granules would be washed on to the beach and stay there, or would get only as far as the splash line of the waves.

But they noted that unlike tar, a widespread local beach hazard, coal granules would not stick to bathers' skin or swimsuits.

Neither are coal particles carcinogenic.

A monitoring system should be set up so that the problem can be dealt with effectively before it grows into a real hazard, they held.

CSO: 4400/282

ELECTION DATE OF 27 NOV MAY BE ANNOUNCED IN JULY

Dhaka THE BANGLADESH OBSERVER in English 25 May 84 pp 1, 14

[Text] November 27 (Tuesday) has been tentatively fixed for the elections to the parliament. The official announcement will be made sometime in July by the Election Commission. This leaves only one month for the non-Janadal members of the cabinet to decide their future. Some have already firmly made up their mind. Industries Minister Mr Shafiul Azam and Agriculture Minister Mr Obaidullah Khan have decided not to meddle in active national politics. Education Minister Dr A. Majeed Khan who is on lien from the UNESCO is still undecided. He is reported to have reacted to a newspaper report saying "Who said I will not join politics." But this was said in a lighter vein. Dr Majeed Khan is not sure how would his parent organisation UNESCO react to his joining a political party.

Home Minister Major-General A. Mannan Siddiky confided to one of his cabinet colleagues that he had seen enough of national politics and was no more interested in it.

Establishment Minister Major-General Mohabbat Jan Chowdhury will, however, join Janadal. So will Air Vice-Marshal (retd) A.G. Mahmud.

Of the two DCMLAs naval chief Rear Admiral M.A. Khan will join Janadal and will probably vie for the post of Vice-President. Chief of Air Staff Air Cile-Marshal Sultan Mahmud will probably not join Janadal as he has years of service to be completed.

Three Ministers, Mr K.A. Bakr, Air Vice-Marshal (retd) Aminul Islam and Dr Shafia Khatun have already joined Janadal. Mr Mahbubur Rahman, Minister of Local Government and Religious Affairs has been made Secretary-General of the party.

The Ministers who will opt out of Janadal will, however, not be disturbed till the end of parliament elections.

CSO: 4600/1945

DHAKA PAPER REPORTS DEVELOPMENTS IN ECONOMY

Shortfall in Tax Receipts

Dhaka THE BANGLADESH OBSERVER in English 24 May 84 pp 1, 10

[Text] Revenue earnings from major tax sources totalled Taka 1778 crore during the first ten months of the current fiscal year (1983-84). The original annual target of receipts from major taxes under National Board of Revenue (NBR) at Taka 2609 crore was revised downward earlier at Taka 2270 crore.

Taka five hundred crore more from major tax sources will be required to be collected during the closing two months of the fiscal 1983-84 to reach the revised target.

While revenue collections are short of the target the revenue expenditures (recurring non-productive) have remained untrimmed, recurring expenditures have so far been broadly in line with the original estimates of Taka 2450 crore, notwithstanding the shortfall in revenue earnings by more than three hundred crore of the original target. The budgetary outcome for the current fiscal year has thus been rather disquietening.

The break-up of collections from major tax sources under NBR during the first ten months of the year is as follows: Customs--Taka 772 crore, sales tax--Taka 291 crore, excise duty--Taka 488 crore and income tax--Taka 219 crore. The NBR portion of taxes to mention here, accounts for 94 percent of total tax receipts of the government.

The most of the shortfall in receipts from major tax sources in 1983-84 has resulted from lower collections of customs duties and the associated sales tax due to slacks in import trade operations particularly during the first six months of the current year. Both the value of imports and the dutiable portion of imports (mostly non-foodgrains imports) have been short of the original estimate. Under the existing tax system with its dependence to the extent of 50 percent on customs and associated sales tax, the sluggish import operations have thus led to the shortfall in revenue receipts for the current fiscal year.



Outside the NBR portion of taxes, land development tax collections originally projected at Taka 60 crore for 1983-84 will rise much less rapidly than previously anticipated. Like the case in fiscal 1982-83 when land development tax collection totalled Taka 25 crore as against the original estimate at Taka 75.54 crore, collections from this source 1983-84 will be much lower than the earlier projection.

The donor agencies like the World Bank have since long been making persistent pleas to the government for raising more taxes from the dominant agricultural sector because of "incremental growth in agricultural incomes facilitated by every-increasing development allocations for the sector." The collection from land revenue and development tax which stood at only Taka three crore in 1972-73 recorded an increase to Taka 19 crore in 1979-80 and then to Taka 25 crore in 1982-83.

Meanwhile, non-tax revenue receipts of the government in the form of earnings from nationalised banks, financial institutions of public sector corporations for the current financial year are not likely to differ "much" from the original projection made at the level of Taka 566.61 crore.

The budgetary constraints emanating from lower collections from major tax sources in 1983-84 have resulted in substantial shortfall in domestic financing from the non-development and revenue budget to support the annual development programme for the year. However, the shortfall in tax revenue collections has partly been offset by some savings in the food budget. Domestic food grain procurement for 1983-84 will be around two lakh tons, compared to the original food budget of seven lakh tons. This has resulted in substantial saving despite some additional imports from government's own resources to maintain a 'minimum desirable public foodgrain stocks position at the end of 1983-84.'

#### Dangerous Monetary Expansion

Dhaka THE BANGLADESH OBSERVER in English 26 May 84 pp 1, 10

[Text] Monetary expansion during the first ten months of the current financial year (1983-84) outstripped the original safe limit anticipated in the national Budget for the year.

Total liquidity (broad money which is inclusive of currency outside banks, demand deposits and time deposits with the banks) expanded by 25.73 percent during July '83 to April '84. The original monetary and credit programme for the whole fiscal year (1983-84) was drawn up with the objective of limiting the monetary expansion to 15 percent.

Narrow money which includes currency outside banks and demand deposits but excludes time deposits recorded a rise by 22.20 percent during the period under review.

The latest monetary and credit statistics showed that there was a sharp acceleration in total liquidity over the last 22-month period since April last from June '82. Aggregate money supply which was Taka 4718.66 crore in June '82 stood at Taka 7597.54 crore in April '84, registering an increase by about 60 percent. The monetary situation has thus been under a serious expansionary influence over the last two years, though the real growth of the country's Gross Domestic Product (GDP) was 3.72 percent only in 1982-83 and would be 5.3 percent (according to the latest official estimate) in 1983-84.

The share of time deposits, demand deposits and currency outside banks in overall liquidity in April last stood at 57.2 percent, 19.7 percent and 23.1 percent as against 55.8 percent, 25 percent and 19.2 percent in June '83.

Bank credits during the first ten months of the current financial year to the public and private sectors showed a net acceleration by Taka 1006.32 crore as against Taka 527.70 crore during the corresponding period last year. While there was a contraction in net borrowings of the public sector from the banks by Taka 178.85 crore, the credits to private sector showed a net expansion by Taka 1184.57 crore during the period under review. Less dependence of Bangladesh Petroleum Corporation (BPC) on bank borrowings following high administered prices of petroleum products in the domestic market and also disinvestment of jute and textile mills to the former Bangladeshi owners mainly accounted for the contraction of credits to the public sector.

In the Government sector, the borrowings (inclusive of two year special treasury bonds) from the banking sector recorded a net rise by Taka 46.76 crore over the last ten-month period till April '84, as against a net contraction in such borrowings by Taka 232.94 crore during the corresponding period last year. The Government had taken recourse to borrowings from the banking system this year, notwithstanding its reduced level of monetary involvement for internal foodgrain procurement operations. Total procurement through internal operations will be about two lakh tons of food grains in 1983-84 as against the original target of seven lakh tons.

Meanwhile, the foreign sector owing to growth in remittances and draw-down of accumulate foreign reserves at a rate slower than originally expected (because of slow import operations) exerted expansionary influences on money supply. The net monetary expansion originating from foreign sector during the first ten months of the current financial year was to the tune of Taka 526.37 crore as against Taka 287.76 crore during the corresponding period last year.

The time deposits recorded a rise by about 29 percent from Taka 3361.02 crore in June last to Taka 4357.95 crore in April last. The demand deposits registered an increase by 17.11 percent to Taka 1763.60 crore and the currency outside banks by 29 percent to Taka 1491.95 crore during the period under review.

## Annual Plan Delayed

Dhaka THE BANGLADESH OBSERVER in English 29 May 84 pp 1, 10

[Text] The finalisation of the Annual Development Programme (ADP) for 1984-85, the terminal year of the current Second Five-Year Plan (1980-85) will be delayed this year. Constraints in mobilisation of taka-financed portion of public sector development outlay and domestic resources have posed a serious problem for planners in finalising the ADP for the coming year.

A series of extended meetings have been held at the Planning Commission to review the resources mobilisation and adjust the ADP accordingly. Further extended meetings are likely before the ADP is placed to the National Economic Council (NEC).

The projection about 'resources availability' on a realistic basis is still under the scrutiny of the planners.

The ADP for the outgoing fiscal year 1983-84 which was officially declared as the year of "implementation improvement" was approved in May last. The current Second Five-year Plan was also finalised around that time after a long delay of three years following its launching in July '80. The overall plan size was drastically reduced in the final second plan document. The public sector development spending programme through its annual phasing under ADP had the most drastic cut then after a "more realistic assessment" by the planners about the resources availability position.

But even that 'realistic assessment' made only a year back has now clearly emerged as an over-ambitious one to keep exactly to the planned investment target finalised in May last.

ADP allocation at current prices on the basis of planners' projection about an annual rate of inflation at 12 percent will be needed to be made at the level of Taka 47.72 billion at current prices in 1984-85. This amount of public sector development outlay is, however, equivalent to Taka 26.96 billion at 1979-80 prices.

Available indications suggest that the ADP outlay for the forthcoming financial year will fall short of the earlier targetted level for the year by at least 18 percent on account of constraints alone in mobilisation of Taka-financed portion of it. According to an estimate, the financial size of ADP at the original targetted level will require an amount of Taka 25 billion as matching Taka resources for it. The mobilisation of this amount as Taka financed portion is impossible during the coming fiscal year, a Planning Commission source told this correspondent.

The ADP for 1984-85 is likely to be finalised at a level between Taka 40 billion and Taka 37 billion. The prospects for having an increasing share of aid in the form of commodity programme type assistance for mobilisation

of Taka resources through generation of counterpart funds from them are not quite encouraging for the forthcoming financial year.

The external aid disbursements for 1984-85 are projected as follows:  
project aid--750 million US dollar, commodity aid--550 million US dollar  
and food aid--240 million US dollar.

Meanwhile, the Food-For-Work Programme (FWP) which is outside the Annual Development Programme (ADP) will involve resources worth Taka 214 crore in 1984-85, registering an increase by 12 percent in terms of Taka over the current year's allocation for the same.

A total of 4.21 lakh metric tons of foodgrains will be distributed under Food-For-Work Programme to implement 4,500 projects of earthwork and to generate 113 million man-days of employment.

CSO: 4600/1943

MINISTER REPORTS FOOD STOCK POSITION SATISFACTORY

Dhaka THE BANGHADESH OBSERVER in English 27 May 84 p 1

[Text] Minister for Food and Relief and Rehabilitation Air Vice Marshal (Retd) A.G. Mahmood on Saturday emphatically claimed that the food stock position in government godowns was "satisfactory." He, however, admitted that the price of rice and other essential items was showing an upward trend.

Briefing newsmen on food situation and the relief and rehabilitation programmes in the flood affected areas, the Minister said that there was no reason for being alarmed about food crisis. He stressed that the availability of food was "satisfactory" and the supply of rice to open market was "enough."

He informed that the present food stock in government godowns would exceed six lakh tons and another 4 50 lakh tons of foodgrains were in the pipeline. He claimed that by the end of the current fiscal year there would be one million tons of foodgrains in government stock.

The Food Minister said that during the current fiscal year the total food import was 21 lakh tons of which six lakh tons were purchased on cash payment. Last year 19 lakh tons were imported, he added.

In reply to a question the Food Minister informed that the food gap was estimated at 10 lakh tons at the beginning of the current fiscal year but he added, it had gone up for 14 lakh tons due to drought and flash flood.

The Food Minister said that following the three weeks drought necessary arrangements were made to replenish the food stock. He informed that 2 68 lakh tons of wheat would reach from Canada and three lakh tons of wheat had been purchased under cash and deferred payment. About two to three lakh tons of rice would also be imported, he added.

Talking about the flash flood the Relief and Rehabilitation Minister said that so far the flood had taken 79 lives, affected more than 10 million people in 52 upazilas and damaged two lakh houses.

Government had already released Taka 29 lakh in cash, 20750 maunds of wheat and 2800 maunds of rice as relief for the flood-affected people under rehabilitation programme. He added Taka 40 lakhs had been given as house building rehabilitation grant and Taka 15 lakh for agricultural rehabilitation.

To provide employment opportunity to the flood-affected people the Minister said the rainy season food for work programme would start from July 1 and in the flood-affected upazillas it would begin from June 1. Government had taken decision to open vulnerable group feeding centre in each of the 4500 unions in the country, he informed.

The Minister who visited flood affected areas said that relief and medical teams had been rushed to those areas to give immediate succour to the flood victims.

CSO: 4600/1946



SOVIET OFFICIAL INTERVIEWED ON TRADE WITH INDIA

Calcutta THE STATESMAN in English 7 Jun 84 p 9

[Text] Moscow, June 6--The Soviet Union is India's major trade partner, its share in India's foreign trade being 11% to 13%, reports PTI. Mr Vladimir Pletnev, first Deputy Chairman of the USSR Chamber of Commerce and Industry, said in an interview that in the volume of trade with the Soviet Union, India was ahead of some industrialized countries, such as the USA, Britain and Canada.

He said that an Indian national exhibition would be held in Moscow from August 15 to September 15. The Indian national exhibition held in Moscow in 1978 made a major contribution to the development of Soviet-Indian trade. "We also pin great hopes on this year's exhibition and on the participation of the USSR in the trade fair in Delhi," Mr Pletnev said.

On the recent visit of a FICCI delegation to the Soviet Union, Mr Pletnev said that the Indian delegates noted the opportunities for expanded industrial cooperation between Soviet factories and Indian private companies.

They noted in particular opportunities for greater cooperation in building projects in India that would be equipped with updated Soviet-made machines and fully oriented towards the selling of their products in third countries and in the domestic markets, he added.

According to department of Atomic Energy in New Delhi, India will purchase two light water reactors from the Soviet Union if the terms offered are acceptable.

A spokesman of the department said there was no intention of abandoning the pressurized heavy water reactor system developed in India nor was there any plan "to develop light water reactors on our own."

If some reactors were obtained from the Soviet Union they would only supplement the national line of pressurized heavy water reactors, he said.



The spokesman said since there was an acute shortage of power in the country, the department might consider building a small number of Soviet designed light water reactors "if the terms offered by the Soviet Union are acceptable."

According to the department, the proven uranium reserves in India can only support a 10,000 MW natural uranium reactor programme.

CSO: 4600/1934

REPORTAGE ON INDO-SOVIET TRADE, COOPERATION

Soviet Official on Plans

Bombay THE TIMES OF INDIA in English 9 Jun 84 p 9

[Text] Moscow, June 8 (PTI)--The Indo-Soviet Inter-governmental commission due to hold its session here in September or October will consider agreements on an 840 MW power station at Kahalgaon and Alumina aluminum complex in Andhra Pradesh besides a number of coal mining projects.

Dr Victor Litvinenko, deputy chairman of the USSR state committee on external economic relations said meetings of the working groups on oil, coal, ferrous metallurgy and energy were being planned in Moscow for this month or the next so that the preparatory work was completed and a consensus arrived at.

He said discussions had also to be continued on the Soviet offer of an atomic power plant to India and on Soviet association with the trans-Indian gas pipeline from Hajira to Yakshitpur.

Co-Production Guidelines

Dr Litvinenko said Soviet and Indian experts who met in Moscow in late March and early April chose the main directions of co-operation in machine-building and identified specific items.

A Soviet team which went to Delhi for talks with Indian officials decided on a session in the third quarter of this year to decide on the volumes of co-production.

Dr Litvinenko said the Soviets had great hopes on co-production and noted that the USSR had been buying a lot from the heavy machine building and heavy machine tool plants at Ranchi, the mining and allied machinery plants at Durgapur and the heavy electricals plant at Hardwar.

Dr Litvinenko said these plants, mainly the Ranchi and Durgapur units, manufactured 38,000 tonnes of machinery worth over a billion rupees for the Soviet Union and third countries between 1979 and 1984 on Soviet orders. Turkey, Cuba, Yugoslavia, Egypt and Bulgaria were among the third countries which got Indian machinery on orders placed by the USSR.

## Latest Technology

He said the Soviet Union provided the latest technology to India for the manufacture of these equipments.

Talks had been held on organising the manufacture of heavy machine-building and power generation equipment, machine tools and chemical plants in India with new Soviet technology under a mutually balanced basis, he disclosed. This meant that part of the production was organised in the Soviet Union on barter terms and that more equipment manufactured according to the new technology was bought by India.

Dr Litvinenko referred to the progress being made with the new projects, particularly the Vindhyachal power station, coal quarries at Nigahi and Mukunda oil prospecting and regeneration of old oil wells. New coal, power generation, oil and ferrous metallurgical projects were under discussion.

Referring to discussions on Soviet co-operation with Indian private sector projects, he said: "We have the impression that the private sector is still considering the many offers we have made. We are hopeful."

## Soviet Steel Purchase Plans

Bombay THE TIMES OF INDIA in English 9 Jun 94 p 9

[Text] Moscow, June 8 (PTI)--The Soviet ministry of foreign trade has signed a contract for the purchase of 80,000 tonnes of steel offered by a delegation of Steel Authority of India (SAIL) which was here in April.

Dr Victor Litvinenko, deputy chairman of the USSR state committee on external economic relations, said the Soviets were ready to buy half a million tonnes of steel manufactured at the Bhilai and Bokaro plants to help India tide over a "temporary glut."

But India had apparently been able to use some of the accumulated stocks itself and to sell some more to third world countries, he said. "Should India be ready to sell more to us, we will consider it again," he added.

Dr Litvinenko said the rolled products of Indian steel plants built with Soviet help were of such assortment as were needed by India itself and the Soviets would be only too happy if Indian units consumed them.

The Bhilai and Bokaro plants manufactured rolled items using highly sophisticated equipment and the Soviet Union was ready to buy them because "we are sure these are of high quality."

Dr Litvinenko said the Ranchi research and development centre, with its sophisticated equipment and highly qualified Indian and Soviet experts, was in a position to organise the production of any kind of steel needed by India at the Bokaro and Bhilai steel plants. There should be no difficulty

about making steel that was needed but the consumption depended on the state of the economy regarding capital construction and machine-building.

For a country like India, ten million tonnes of steel a year was just not enough, he observed.

CSO: 4600/1936

## GANDHI'S REMARKS TO FRG NEWSMEN REPORTED

## Talks With Brandt, Journalists

Madras THE HINDU in English 6 Jun 84 p 9

[Text]

NEW DELHI, June 5.

Mr. Willy Brandt, former West German Chancellor, and chairman of his country's Socialist Democratic Party, met Mrs. Gandhi for 90 minutes today for a quick survey of the world situation.

Mr. Brandt, who had been to China, apprised her of his visit and his talks with the Chinese leaders.

Later, Mrs. Gandhi talked to a large group of West German journalists accompanying Mr. Brandt. The questions related to the problems of developing countries, Socialist International's role and West Germany's attitude.

While keeping her fingers crossed on the outcome of the present economic summit of the industrialised countries in London, Mrs. Gandhi stressed the need for the North helping the South.

She said it was difficult to say now how the developing countries would figure in the London discussions, despite strong pressures that their problems be taken into account. As for India, Mr. L. K. Jha, Chairman, Economic Administrative Reforms Commission, had been sent to the capitals of the industrialised countries to brief their leaders on the viewpoint of the developing world.

Crucial help needed: The assistance the developing countries needed, according to her, could be in different forms in different cases, food for some, debt relief for others. India, she said, was in a peculiar position and found itself squeezed out of consideration when it came to development aid. India did

manage its economy well but people outside did not realise the magnitude of difficulties encountered by it as also the fact that the help needed now was crucial. In any case, 92 per cent of the developmental effort was managed internally and only 8 per cent was dependent on outside help.

Bonn's helpful role: Was she satisfied with the help given by West Germany? Mrs. Gandhi referred to the earlier cut in the West German aid but said Bonn's role in the issues relating to international financial institutions had been helpful. There was scope for greater business activity, she said while referring to the exchange of visits by delegations from the two sides.

Would she like a bigger role by the Socialist International in matters connected with the North-South dialogue? Mrs. Gandhi merely referred to Mr. Brandt, a leading light of the Socialist International, and his involvement in questions relating to the economies of the developing countries.

A questioner referred to the emphasis by China on peace and security and inquired whether she favoured a joint initiative with that country and others. Mrs. Gandhi spoke of the initiatives taken by India in the past including the New York consultations involving leaders from the East West and the non-aligned camp.

She said she greatly appreciated Mr. Brandt's activities in regard to peace and security and the North-South dialogue.

## PATRIOT Correspondent's Report

New Delhi PATRIOT in English 6 Jun 84 p 1

[Text]

Prime Minister Indira Gandhi on Tuesday rejected Western insinuations that India possesses a nuclear arsenal. "India does not have a nuclear bomb", Mrs Gandhi told FRG newsmen accompanying former Chancellor Willy Brandt on his visit to India.

Mr Brandt, who had arrived in the Capital early in the morning, had a 90-minute discussion with Mrs Gandhi who later hosted a private lunch for the SDP chairman. Mr Brandt was present when Mrs Gandhi spoke to his press entourage on subjects ranging from the talk they had together, to her projections on the outcome of the economic summit.

Answering a question on Indian nuclear capability, Mrs Gandhi said the country had a peaceful nuclear experiment whose purpose was to see whether it could be useful in large projects like making dams or mountain roads. The experiment itself had been within the terms of the international treaties, the Prime Minister said. She dismissed as propaganda Western reports that India is planning underground nuclear tests.

The Prime Minister used the opportunity to stress again India's call for an immediate freeze on the arms build-up by both the West and the East as a first step towards total disarmament which alone could save the world from a nuclear holocaust. After a freeze, there could be discussions on removing existing weapons, the Prime Minister said, pointing out that the appeal was addressed not to the super powers alone but also to the other nuclear powers.

The two leaders had discussed at some

length the prospects of the economic summit of the affluent nations beginning in London on Thursday. A specific item of discussion was the imperativeness of a North-South dialogue, and South-South cooperation. Mr Brandt has been a votary of North-South relations and Mrs Gandhi has repeatedly stressed that the North needs to help the developing countries not just for their economies, but also for the health of its own economy.

Mrs Gandhi said it was difficult to predict the outcome of the London summit.

Obviously referring to the discussions held by her special envoy, Mr L K Jha in the Western capitals a few days ago on matters of importance to the Third World in connection with the forthcoming summit, Mrs Gandhi said that sometimes people were sympathetic, but pressures built up. It was difficult to say what would be the outcome of the summit.

The Prime Minister emphasised that the strengthening of South-South relations in many ways would be helpful in the context of effort for North-South dialogue.

She referred to the role of the non-alignment movement, and of the seventh Non-Aligned Summit chaired by her in this connection.

About the problem of development facing India, Mrs Gandhi pointed out that the development process itself raised peoples' expectation. The external resources required for development were small — only eight per cent as against the fact that international resources announced for 92 per cent. However, the external assistance was needed in 'crucial areas'.

CSO: 4600/1932

## ANALYST DISCUSSES PROBLEMS IN RELATIONS WITH PRC

Bombay THE TIMES OF INDIA in English 7 Jun 84 p 8

[Article by Inder Malhotra]

[Text]

**W**HAT his Chinese hosts in Beijing told the West Bengal chief minister, Mr. Jyoti Basu, about the present state of India-China relations is nothing new or startling. But it is important by itself that they should have said to him that an early solution of the border question between the two countries is not possible. They hastened to add, however, that this should not prevent them from improving their relations in other fields such as commerce, culture or mutual contacts at various levels.

It was open to Mr. Basu to keep to himself his conversations with middle-rank Chinese leaders — no top leader received him presumably because the relationship between the Chinese Communist Party and the CPM has been renewed only recently and differences between the two still exist — or at best convey a gist of these to policy makers in New Delhi only. But he has chosen to go public which is just as well. For there is no need for secrecy on this score.

In fact, it is good to know that the Chinese have said to an Indian Marxist leader of Mr. Basu's distinction exactly what they have been telling other visitors, especially from countries in India's immediate neighbourhood. Their standard formulation on the subject, which they repeated most recently to President J. R. Jayewardene of Sri Lanka, is that while China's relations with Nepal, Bhutan, Bangladesh, Sri Lanka and Pakistan are "excellent", those with India are improving but not as fast as they should.

With the second part of this assessment there will be complete agreement by even those in this country whose responsibility it is to deal with China and explore all possible avenues for rapprochement with it. But the question is: where do India and China, the two Asian giants whose relations whether of harmony or discord are bound to have profound consequences, go from here? And therein lies the rub.

**Critical Issue**

For while the Chinese will be only too happy to put the border question on the back burner and work for better relations with India in other spheres, this country has made it crystal clear from the very start of the current dialogue between Delhi and Beijing that its position is totally different. In Indian eyes, the border question is the key, indeed critical, issue. And while the absence of a border agreement is not a bar to the improvement of relations in other fields, the progress in every other field will depend on the rate of advance towards a settlement of the border issue.

Since this was fully appreciated by Mr. Huang Hua when he first came to New Delhi as Chinese foreign minister three years ago, both India and China have a stake in coming to grips with the border issue if they are serious and sincere about their quest for friendly relations.

It is possible, indeed probable, that the Chinese feel that in a difficult pre-election year, with daunting domestic preoccupations, such as in Punjab, Mrs. Gandhi's gov-



ernment might not be able to take the kind of initiative that they consider essential for a solution of the border problem. The feeling is not without basis. But it overlooks two cardinal facts. First, that the stage where hard and politically problematic choices may have to be made by either side to cut the gordian knot and clinch the issue has not yet arrived. Much more ground work needs to be done before it is reached.

Secondly—and this is more important — imaginative initiatives, if any, have to come from the Chinese side, rather than the Indian. It is no secret that the Chinese have been complaining to whoever would listen that on the border issue India expects concessions to be made by China alone. But surely they must know that this is inevitable. For, it is China which is in possession of Indian territory or at least territory which India claims as its own and that this territory includes land which China occupied only during the 1962 war through armed force in flagrant violation of the principles Beijing swears by. What concessions can this country be expected to make in these circumstances?

Also, the Chinese leaders are far too hard-headed to be unaware that Mr. Deng Xiaoping's "package deal" offering acceptance of the Macmahon Line in return for Indian acceptance of the present line of control in Ladakh is a non-starter, especially on a take-it-or-leave-it basis.

## Noisy Minority

There are some people in this country to whom, at one time even the idea of talking to China was anathema. Today, for reasons of their own, they are briskly advocating that a settlement with China ought to be reached on whatever terms the Chinese are prepared to offer. But they constitute only a small though noisy minority. The vast and silent majority in this country may be willing to forget the deep hurt the Chinese caused it in 1962 but it will not allow any Indian government to accept the Deng package which is considerably more unfavourable to

this country than the package offered by Mr. Chou Enlai in April 1960.

At the same time a reasonable framework for a slow but steady progress towards disentangling the border imbroglio exists. The first three rounds of talks on this vital issue at official level were more or less sterile. But during the fourth round in New Delhi in October-November last, limited but promising advance was made.

For one thing, the two sides came very close to formulating an agreed set of principles to govern boundary negotiations. For another, the Chinese are at last willing to look at the Indian proposal for a sector-by-sector approach to the border question rather than harp on the "package deal".

This is a good enough basis for further progress, especially in view of the strongly held Chinese belief that it is always useful to move from areas of agreement to those of disagreement.

Against this backdrop it is perhaps necessary that the next round of India-China talks at official level are not delayed unduly. Dates for the fresh round are now under discussion. But it seems that during July and early part of August, the Indian side is going to be pre-occupied with South Asian affairs.

There are two other aspects of the quest for better India-China relations which merit attention. Taking them up in ascending order of importance, the first is that some China-watchers feel, with ample justification, that while official-level talks are good as far as they go, they by themselves cannot go far enough.

For they are much too formal and rigid. An additional, informal and perhaps wholly confidential channel between the two countries is therefore necessary. Only through such a channel can intimations of flexibility be conveyed by either side.

## Mixed Signals

Secondly, as Burma's shows, even a boundary agreement with China is no guarantee of trouble-free co-existence with it. Much more than a settle-

ment of the border question will be needed therefore to put India-China friendship on a firm footing.

*A sine qua non* for such friendship is that the Chinese respect India's security interests south of the Himalayan crest and, in any case, refrain from accentuating this country's differences or conflicts with its South Asian neighbours.

On this issue of supreme importance, the Chinese signals have at best been mixed. In the post-Afghanistan period, for instance, the Chinese leaders have laid great stress, publicly and in private, on the desirability of a detente between India and Pakistan. And yet they have been wholeheartedly justifying the U.S. rearmament of Pakistan despite its deleterious impact on the sub-continental situation.

Similarly, the general secretary of the Chinese Communist Party, Mr. Hu Yaobang, gave Mr. Willy Brandt a warm message of friendship for Mrs. Gandhi and, in the same breath, told the West German leader that he did not understand India's policy towards its neighbours.

Much the same can be said of China's response to President Jayewardene's visit. In private, the Chinese leaders did make what can only be called some snide remarks about this country. But in public they said nothing about Sri Lanka's ethnic problems and its fall-out on India though Mr. Jayewardene did make public references to the "difficulties we have gone through recently". They strongly advised the Sri Lankan President not to involve outside powers in his country's affairs. And they remained politely non-committal about his urgent request to China for naval patrol boats.

Interestingly, the Sri Lankan foreign minister, Mr. A. C. S. Hameed, did not accompany Mr. Jayewardene to Beijing largely because he is unhappy with the Sri Lankan President's decision to allow the U.S. embassy in Colombo to start an "Israeli interest section" as the proverbial thin-end of the wedge to involve in Sri Lankan affairs the Israeli department of dirty tricks called Mossad.

## INDIA, NETHERLANDS SIGN AGRICULTURAL COOPERATION PACT

New Delhi PATRIOT in English 14 Jun 84 p 7

[Text]

**The Hague, June 13 (PTI)**—India and the Netherlands have signed an agreement to promote cooperation in the field of agriculture in which the Dutch have used high technology to emerge as the world's second largest exporter of agricultural goods.

This conclusion of memorandum of understanding coincided with the opening of a two-day meeting of the Indo-Netherlands Joint Business Council, attended by a high-powered Indian business delegation led by Mr Ramakrishna Bajaj, president, Federation of Indian Chambers of Commerce and Industries.

The memorandum signed by Netherlands' Minister of Agriculture C J M Braks, and Mrs Soonu Kochar, Ambassador of India, identifies besides agriculture, areas of cooperation such as horticulture, livestock improvement, dairy products and land water development, establishment of agro-based industries and research in crop and animal sciences. A joint agriculture steering committee would prepare the biennial work plan for all these and review progress from time to time.

India and the Netherlands have already in operation an agreement on economic and technical cooperation.

Netherlands' Minister of Foreign Trade F Blokestein told PTI that he saw greater opportunities for bilateral trade with India moving in direction of a more open economy. The present level of trade was marginal for both countries, he noted.

One quarter of one per cent of exports of each, given India's size and resources and the economic

liberalisation under way, it should be possible to expand the trade volume, he said.

Though India reduced its adverse balance of trade to Rs 14 crore in 1983 as against Rs 36 crore in 1982, India's textile exports took significant downturn last year.

A study on imports from India into Holland, carried out by the Development Research Institute of Toulburg University here, noted India had been continuously losing ground on world market because its exports were concentrated in less dynamic markets. In textiles, India was losing competitive power and deficiencies in export organisation should be removed for India to regain its share in both textiles and handtools, the study said.

The Netherlands would extend to India 190 million guilders (about Rs 60 crore) in 1984-85, according to officials at the Netherlands' Ministry of Development Cooperation.

The Dutch aid to India will have a substantial part in grant form. Agriculture, including irrigation, drinking water supply, transport and programmes designed to create durable assets and provide employment to people would be covered under the aid programme. The Dutch Government also proposed to work out a multi-year indicative programme on likely availability of aid over the period.

The Netherlands is devoting 1.5 per cent of its net national product for development assistance which is being increasingly concentrated in about 10 countries, including India, which has been the largest recipient of Dutch aid.

## FOREIGN OFFICE PROTESTS SRI LANKAN'S REMARKS

Madras THE HINDU in English 2 Jun 84 p 1

[Text] New Delhi, June 1--Deploring the intemperate language used by the Sri Lankan Prime Minister, Mr Premadasa in a recent speech, the Government of India said today it would take up this and related matters with that country's President, Mr J.R. Jayewardene. In no-holds-barred references. Mr Premadasa had repeatedly talked of an Indian invasion of Sri Lanka.

New Delhi reacted sharply to Mr Premadasa's remarks in the Sri Lankan Parliament on May 24 as also to the organised campaign in a section of the press there making unwarranted charges against India. A foreign office spokesman who made known the Government's strong views on the subject said: "We are pained and surprised at these outbursts against a friendly country which has gone out of its way to offer friendship and goodwill to the Government and people of Sri Lanka." He considered Mr Premadasa's remarks unprecedented because never before in the post-Independence period, India and its Prime Minister were attacked so virulently.

These developments appeared calculated to damage the friendly relations between India and Sri Lanka, he said, expressing the hope that far-sighted people there would seek to avert irreparable damage is not done to bilateral relations.

The spokesman wondered whether the Indian bogey had been raised to divert attention from the ethnic problem there. If so, it could undermine the peace bid, he said.

At one stage the Indian Government wanted not to make Mr Premadasa's remarks a public issue and convey its feelings through diplomatic channels. Later, however, when the text of his speech was received, it was considered necessary not to let the provocative and unwarranted charges go unchallenged. The Indian High Commissioner in Colombo, Mr Chatwal, will presumably seek an interview with Mr Jayewardene to apprise him of New Delhi's reaction. Mr Chatwal's counterpart in India, Mr Tilkratna, is in Colombo now and would naturally utilise the stay for consultations with his Government.

"Far-sighted people": New Delhi noted what amounted to a clear disapproval of Mr Premadasa's views by the Internal Security Minister, Mr Athulathmudali. It was, perhaps, because of this that it felt encouraged to express the hope that the "far-sighted" people in Sri Lanka would step in to prevent the damage to friendly relations with India. What worried India was that the Prime Minister of a friendly country chose the forum of parliament for a tirade against India.

A text of the Foreign Office spokesman is as follows:

"The text of the statement made by Mr Premadasa, Prime Minister of Sri Lanka, in Parliament on May 24 is now available. In all these years since Independence, India and the P.M. personally have never been attacked so virulently. We can only deplore the use of such intemperate language. The charges and accusations hurled at India are totally without basis.

"During the last few days, there has been an organised campaign in sections of the Sri Lanka press making unwarranted and meaningless charges against India.

"We are pained and surprised at these outbursts against a friendly country which has gone out of its way to offer friendship and goodwill to the Government and people of Sri Lanka.

"All this seems calculated to do harm to the long-standing friendly relations between our two countries. Far-sighted people in Sri Lanka will, we hope, see to it that irreparable damage is not done to these relations."

"Is the Indian bogey being raised to mislead and divert attention from the ethnic question in Sri Lanka? All this could undermine the peace process.

"The Government of India are bringing these serious developments to the notice of President Jayewardene."

CSO: 4600/1922

INDO-MALAYSIAN JOINT COMMITTEE MEETS IN SINGAPORE

Madras THE HINDU in English 2 Jun 84 p 5

[Article by V.T. Sambandan]

[Text] Singapore, June 1--At the fourth technical and economic joint committee of India and Malaysia that concluded in Kuala, Lumpur on Wednesday, greater desire was expressed by both sides to increase cooperation and to seek ways to narrow differences in order that the complementary nature of their potentials could be utilised.

At the two-day meeting of senior officials led by the Indian Foreign Secretary (East), Mr Natwar Singh and the Secretary-General of Foreign Affairs, Tan Sri Zakaria Ali, more areas of technical cooperation and increased trade were identified.

The Malaysian side sought cooperation in resource-based electrical and electronic medium and small-scale industries. In order to increase trade, it suggested a shipping agreement that envisages a joint maritime commission. There was no discussion on the draft shipping agreement presented as it would have to be referred to relevant ministries in India. Malaysia has also offered similar shipping agreements to other countries as it wants to trade directly with its partners instead of through third countries, particularly Singapore.

Interest was also shown in technical training especially in fisheries, agriculture, small-scale industries, maintenance of archives, and other cultural subjects. It also wants to export manufactured goods apart from various raw materials like palm oil, rubber and tin which constitute nearly 90 percent of Malaysian exports to India. Malaysian imports, which are far lower than its exports to India, constitute mainly onion, spices and heavy electrical equipment.

Meat Import: Recently, Malaysia has also been importing meat which is preferred here because it is authentically Islamic, has less fat content and is cheaper than Australian meat which has been dominating the market.

The Indian side said it would give full support for training and more technical personnel of Malaysia wherever possible. The two sides agreed to intensify their cooperation through frequent exchange of visits by trade missions and officials.

Tan Sri Zakaria Ali said the decisions of the meeting would result in greater bilateral cooperation with India in all fields including trade investments and transfer of technology.

Though the first joint commission was set up in 1979, the current meeting "held in a very friendly and cordial atmosphere" is said to have given a significant impetus to Indo-Malaysian technical and economic cooperation in spite of some differences that has existed so far between the two countries in international affairs, particularly over Kampuchea.

CSO: 4600/1922



REPORTAGE ON INDUSTRY MINISTER'S VISIT TO LIBYA

Remarks on Return

Calcutta THE STATESMAN in English 4 Jun 84 p 9

[Text] New Delhi, June 3--Indian companies will get Rs 146 crores worth of Libyan crude in payment of arrears for contracts they are carrying out in that country. This was announced by Mr N.D. Tiwari, Minister for Industry, on his return here today from Tripoli where a meeting of Indo-Libyan Joint Commission was held.

Talks will be held on India's proposal that Libya permit the Indian companies concerned to make spot sales of the crude in world markets.

The crude is of a kind for which refining capacity does not exist in India and so has to be sold in spot market to enable the companies to realize the arrears.

Since Libya was concerned about the small quantity of imports by India, it was agreed that India would annually import goods worth Rs 140 crores and among the items identified were urea, ammonia methanol and PVC.

Stake

India has an important economic stake in Libya where public sector companies from this country are carrying out contracts worth Rs 991 crores.

The contracts include building airports, roads, hospitals, buildings and industrial projects. Over 35,000 Indians are employed in Libya.

However, for some time they have faced the problem of payment for the work done, largely because Libya--like many other Arab and African countries--is facing a financial crunch.

Mr Tiwari said he had had talks on this problem and the two countries had decided to set up a technical committee to consider it. Its first meeting would be held within six months.



Indian companies are bidding for several large contracts in Libya including a 740-MW power station, improvement of telecommunications and sale of iron ore pellets from the Kudremukh project.

Libya wants Indian companies to submit bids on operation of tyre factories readymade garments and a paints factory.

#### Protocol Signed

Bombay THE TIMES OF INDIA in English 1 Jun 84 p 7

[Text] New Delhi, May 31--India and Libya have signed a new protocol which, it is claimed, will lay the foundation of a new phase of extensive co-operation between the two countries.

Libya has invited Indian expertise to set up industries such as paints, garment manufacture and building hardware on a turn-key basis. Libya has also requested India to manage a tyre factory set up recently.

At India's request, Libya has agreed to allow the resale of Libyan crude to other countries in part payment of dues to Indian companies.

The two sides agreed to raise the level of bilateral trade. Indian companies are expected to participate in the construction of power projects, dams, buildings and roads in Libya.

India has also offered complete consultancy in land and water development and agricultural research. It was decided to explore the possibility of starting air and shipping services between the two countries.

An agreement on co-operation in the field of culture, mass media, information and sports was also signed.

A memorandum of understanding signed by the Union industry minister, Mr N.D.Tiwari and the Libyan health minister provides for the deputation of more Indian specialists and closer co-operation between medical institutions of the two countries. It also provides for Indian assistance in setting up facilities in Libya for the manufacture of medicines and medical equipment.

CSO: 4600/1928

RAO MEETS WITH INDONESIAN FOREIGN AFFAIRS MINISTER

Bombay THE TIMES OF INDIA in English 5 Jun 84 p 1

[Text] Jakarta, June 4 (UNI)--Indonesia today sought Indian assistance in resolving the Kampuchean issue, though the two countries continued to differ on the nature of the problem.

India's help was solicited during official talks between the external affairs minister, Mr P.V. Narasimha Rao, and the Indonesian foreign minister, Dr Mochtar Kusumaatmadja, held here for about 90 minutes.

Dr Mochtar sought India's good offices since it had very friendly relations with Vietnam whose forces were now backing the present Heng Samrin regime in Kampuchea.

After a detailed exposition of the ASEAN countries' position on Kampuchea, the Indonesian foreign minister assured Mr Rao that they would abide by international conventions on the withdrawal of foreign troops from the Kampuchean soil.

Emerging from the talks, Dr Mochtar told newsmen that a solution of the Kampuchean problem must be found within the regional framework and it should be acceptable to all.

He said he had benefited from the assessment of Mr Rao on the Iran-Iraq conflict.

The two foreign ministers expressed satisfaction at the way the talks were going, which covered the situation in the South-Asian region, Iran-Iraq war, North-South co-operation and bilateral economic co-operation.

Mr Rao said he had explained to his counterpart the various initiatives taken by India as chairman of the non-aligned movement to resolve the Iran-Iraq conflict. Dr Mochtar, who recently visited some Arab countries, apprised Mr Rao about the situation in the Gulf.

India and Indonesia found that there was a large measure of similarity in their views on the Iran-Iraq war and the efforts made by the international community towards resolving it, according to sources close to the two delegations participating in the talks.

Dr Mochtar appreciated the Indian position on the South Asian region and remarked that despite differences with some neighbours, India was making efforts to improve relations, the sources said.

He said Indonesia fully understood the differences, particularly the fence issue with Bangladesh.

The two foreign ministers also exchanged notes on the recent visit of the U.S. vice-president, Mr George Bush, to India and Indonesia and discussed the possible implications of improving the political and economic climate between North and South in an election year in the United States, the sources said.

Dr Mochtar referred to his visit to the Soviet Union and expressed appreciation that he was heard with understanding by the Soviet foreign minister, Mr Andrei Gromyko, on the Kampuchean issue.

Mr Rao reiterated India's opposition to intervention in the affairs of any country and stated that it was opposed to the presence of foreign troops in principle.

In the afternoon, Mr Rao called on the Indonesian minister for people's welfare, Mr H. Alamsjah Ratu Perwiranegara.

CSO: 4600/1927

## SIKKIM LEADER LEAVES CONGRESS-I, FORMS NEW PARTY

New Delhi PATRIOT in English 25 May 84 p 1

[Text]

The political turmoil in the north-eastern border State of Sikkim took a new turn on Wednesday when the former Chief Minister Nar Bahadur Bhandari, announced that he along with 16 legislators, had resigned from the Congress-I and formed a new regional party, Sikkim Sangram Parishad; reports PTL.

Mr Bhandari said in the 32-member Sikkim Assembly, Congress-I had a strength of 28. Now with 16 MLAs with him in the new party, "we are clearly in majority and are constitutionally in a position to put up our claim to form a government".

Parading before newsmen his 14 colleagues and claiming that two more could not come here due to "some unavoidable reasons", Mr Bhandari said that he would return to Gangtok within a day or two to stake his claim to form a new Ministry in the State.

Mr Bhandari, who would be the president of the new party, said he and his supporters had handed over their resignations personally to the Congress-I general secretary Rajendra Kumari Bajpai in Delhi in the afternoon.

Mr Bhandari said he expected at least three more MLAs to join his party.

Mr Bhandari was dismissed by Governor Homi J H Talyarkhan, on 11 May after he refused to resign on his own, and a new four-member Ministry headed by Mr B B Gurung, a colleague of his, was sworn in.

At the press conference, Mr Bhandari also circulated a photostat copy of a letter, signed by the 15 MLAs including himself, which, he said, was handed over personally to Mrs Bajpai.

The letter, addressed to the Congress-I president, said that "we have once for all decided to leave the Congress-I en bloc in the larger interest of the people of Sikkim and the rest of the country".

Besides Mr Bhandari, signatories to the letter are Mr Chamla Tshring Bhutia, Mr Tulsi Ram Sharma, Mr Padam Bahadur Gurung, Mr Dal Bahadur Thatal, Mr Chandra Bahadur Rai, Mr Padamal Gurung, Mr Ram Lepcha, Mr Dawgyal Pintse, Mr Katuk Bhutia, Mr Dorjee Tshring Bhutia, Mr Mohan Prasad Sharma, Mr Bir Bahadur Lohar, Mr Garjaman Gurung, and Mr Til Bahadur Limboo.

When asked whether his decision to quit the Congress-I was final, Mr Bhandari replied "it was irrevocable".

CSO: 4600/1924

CHANGES IN GOVERNOR ASSIGNMENTS REPORTED

Calcutta THE STATESMAN in English 1 Jun 84 p 1

[Text] New Delhi, May 31--Mr Homi J. Taleyarkhan, Governor of Sikkim, has been replaced by Mr Kona Prabhakar Rao, Lieutenant-General of Pondicherry. Mr Rao has been promoted for the post, says a Rashtrapati Bhavan communique. Mr Taleyarkhan is Ambassador-designate to Italy.

Mr S.L. Khurana, Governor of Tamil Nadu, will hold additional charge of the administration of the Union Territory of Pondicherry till a successor to Mr Rao is named.

The President today also appointed General K.V. Krishna Rao retired Chief of the Army Staff, the new Governor of Manipur, Nagaland and Tripura.

General Rao replaces Mr S.M.H. Burney, who has been shifted to Haryana to succeed Mr G.D. Tapase, whose term has expired.

According to the communique, the appointments will take effect from the day they assume their respective charges.

According to UNI, Mr Taleyarkhan returned to Gangtok today after a visit to Delhi. During his stay in the Capital, the Governor apprised the Prime Minister of the latest situation in the State, following the imposition of President's rule.

A delegation of the Sikkim Congress (I) left Gangtok today for Delhi to apprise the Prime Minister and other Central leaders of the latest situation in the State, reports PTI.

The delegation includes the former Chief Minister of Sikkim, Mr B.B. Gurung, and Mr Sonam Tshering, general secretary of the Sikkim Pradesh Congress (I) Committee.

This is the first time a Congress (I) delegation is visiting the capital after the dismissal of the Bhandari Government and the imposition of President's rule in the State.

The Congress (I) will be the only national party to contest the elections to the State Assembly in Sikkim, due next October, writes Our Special Representative in New Delhi. The three other parties with a following in the state are regional parties.

#### 'No Truck With Cong-I'

This was clear from what Mr Ram Chandra Poudyal, president of the Congress (R) said at a Press conference today. Mr Poudyal said there was no question of his party joining hands with the Congress (I). His was a regional party with no affiliation with any national party.

It would continue to be on its own in the next elections, without aligning itself with either the Sikkim Himali Congress of Mr N.B. Khatidwada or the Sikkim United Council of Kazi Lhenduph Dorjee, as was being propagated by the former Chief Minister, Mr B.B. Gurung.

Evidently a major contender in the coming Sikkim elections will be dismissed Chief Minister Mr Nar Bahadur Bhandari. He heads the Sikkim Sangram Parishad, a party he floated after quitting the Congress (I), along with many of his Cabinet colleagues and former party MLAs.

Since the Congress (I) will have to begin anew, it is on the lookout for a leader. A top emissary of the party will soon visit Sikkim in this connexion. Mr Gurung, whose Government fell with the imposition of President's rule in the State, is the leader of the party as of date, and is operating as such, though whether the Congress (I) high command will retain him in that role remains to be seen.

CSO: 4600/1917

## CPI-M REPLIES TO SAKARIA COMMISSION QUESTIONNAIRE

Madras THE HINDU in English 1 Jun 84 p 9

[Text] Trivandrum, May 31--"We do not agree that there is nothing wrong with the Constitution as it was framed, that what is wrong is only its working. At the same time, we hold that in its actual working the Constitution came to be distorted. Even the limited extent of autonomy that found a place in the Constitution has been eroded."

The reply of the Communist Party of India (Marxist) to the Sarkaria Commission's questionnaire also outlines measures which would presumably put Centre-State relations--and, hopefully, national unity as well--on a sounder basis. From more powers for the State legislature and doing away with State Governors altogether to ending all India services like the IAS, the recommendations are wide-ranging.

## Excessive Centralisation

"While the basic nature of the Constitution framed in 1950 was declared to be federal in principle, its content was excessive centralisation. Furthermore, in its actual working it became still more centralised. The fact that the same political party was in the saddle at the Centre and in all the States for nearly three decades facilitated this process. The States were made to surrender 'voluntarily' the rights they had in the original provisions of the Constitution. Many of the amendments made to the Constitution deprived the States of whatever element of autonomy they originally had.

"The moment other parties started heading the administration at the State level, the question of Centre-State relations became the subject of hot debate. Once the non-Congress State Governments started agitating for greater powers and resources, the Congress-led States too started joining the demand. The memoranda submitted by the State Governments to successive Finance Commissions will show that there is no difference between the Congress-led and other State Governments in protesting against the inroads made into the States' resources--a process that has been uninterruptedly going on during this entire period."



## Efficient Centre

The document proclaimed that the party stood for "the unity of the country" and "an effective and efficient Centre capable of defending the country, organising and consolidating its economic life and adequately armed with powers to discharge its other tasks." However, this "urge for unity" among the people and their desire that the country be protected from external aggression, had been "exploited by the ruling party to appropriate dictatorial powers."

In the distribution of legislative powers, the Union and Concurrent Lists were "so all-pervasive" that State autonomy was, in fact, negated. Moreover, Parliament could legislate on certain subjects within the exclusive competence of the States in the name of national or public interest. The Governor's power to refer to the President important legislations adopted by the State and the right of the Central Government acting in the name of the President to withhold assent to Bills passed by the legislatures made "a mockery" of the State's legislative competence.

To "protect States' autonomy" Article 248 (residuary powers of legislation) should be amended in such a way that the State legislatures had the exclusive power to pass laws on any matter not enumerated in the Union or Concurrent Lists. In other words, the "residual powers of the federation should lie with the States and not with the Centre." Article 249 which allows "the Centre to legislate on a subject in the State list under the plea of national interests" should be deleted.

The Seventh Schedule should be reformulated so that the States get exclusive powers for certain categories of industries.

"The subject of law and order and police should be fully in the States' sphere and the Centre should not interfere with its own specially created forces."

The post of the State Governor should be abolished. Failing that, those appointed should enjoy the confidence of the State legislature and "no Governor should continue when there is a change in the elected legislature."

All-India services like the IAS and the IPS whose officers are posted to the States but remain under the supervision and disciplinary control of the Central Government must be abolished. There should only be Union Services and State Services. Recruitment to them should be made respectively by the Union and the State Governments concerned. The Central Government should have no jurisdiction over the State service personnel.

Since the present electoral system enabled parties with a minority of votes to secure a majority of seats in Parliament and legislatures, it should be replaced by a system of proportional representation.

No less than 75 percent of the total Central revenue should be set apart for distribution among the States by the Finance Commission.

CSO: 4600/1918

## REPORTAGE ON CONGRESS-I PARLIAMENTARIANS' MEETING

## Gandhi Opens Session

Madras THE HINDU in English 2 Jun 84 p 1

[Text] New Delhi, June 1--The Prime Minister, Mrs Indira Gandhi, today called for a national consensus on issues affecting the country's integrity and unity as also communal, caste and regional harmony. She made this point in the context of the Punjab situation while inaugurating the two-day conference of Congress(I) functionaries from all over India.

Apart from suggesting, impliedly though, an all-party approach to national issues, the Prime Minister was noticeably mild in her references to the Opposition in sharp contrast to her past observations on its role--when she blamed it for seeking to exploit sensitive issues for partisan ends--she said she would refrain from decrying the Opposition because such remarks got a disproportionate display in the press. She did not elaborate the consensus idea, but her remarks added up to an appeal to the Opposition for cooperation in meeting threats to the country's unity.

The Prime Minister refuted the charge by her opponents that the Government had politicised Punjab and similar issues for electoral gains. Like any other party, the Congress(I) too was interested in elections, but electoral considerations did not colour its vision while finding a solution to problems. Secondly, the Congress(I) would not compromise on principles and would rather lose the elections than use means that ran counter to national interests. "Elections are not the be all and end all for us. We have been used to being in the opposition," she said, but hastened to add that she did not have any doubt about the party's victory at the next poll.

Communal colour to terrorism: In Punjab, a new factor had been added by the acts of terrorism and the activities of anti-social elements and the killings of innocent people just to create scare. She recalled her warnings that the Akali agitation would be taken over by extremists and that those instigated by outside forces, smugglers and anti-social sections would jump into the fray. She detected a new emphasis in the activities of terrorists who earlier killed Sikhs but now sought to give a communal colour (by choosing their victims from among the Hindus).

Reaffirming her faith in a negotiated settlement of the Punjab problem, she said that more than once an accord had been in sight but some incident or the other scuttled conciliatory moves and, in the meanwhile, terrorists grew stronger. The Centre conceded the religious demands of the Akalis and agreed to refer the riverwater case to a tribunal.

On the territorial dispute between Punjab and Haryana, Mrs Gandhi said she had agreed to various alternatives, particularly in regard to Chandigarh--reference of the issue to another tribunal, division of the city even though personally she found it highly distasteful. She felt that some thing should be done for Haryana if Chandigarh was to be transferred to Punjab. This was how she explained the rationale of the position taken by the Centre at various stages of the negotiations. The Opposition parties sought to distort the moves of the Government, but it would continue to strive for a settlement. "We are aware of the role of the Sikhs and are sympathetic to their just demands."

The two-day conference was in continuation of the convention of parliamentarians, conveyed earlier this year, and was intended to evolve measures though discussions with the office-bearers of party units in States and districts and of front organisations. The idea was to involve the other segment of the party, the first having been covered by the convention.

The Prime Minister stressed the need for putting an end to factional quarrels. She was unhappy with the propaganda within the country and outside against the government's achievements, but she saw no reason for the ruling party to be on the defensive. Also she urged the press not to give a slanted picture because that affected the country's morale. The press was within its right to point out the shortcomings of the Government but it should avoid twists distortions in reports.

Mrs Gandhi spoke with passion on the Congress(I) determination to fight communalism and was happy with the way the party members involved themselves in providing solace to the victims of the recent riots in Bhiwandi and other places. According to her, outside elements were mainly responsible for the incidents in Bhiwandi. In such situations, the first task was not to apportion blame, but to calm passions and provide relief to the victims of communal fury. An inquiry could be instituted later.

PTI, UNI report:

Referring to a report that a Sikh was prevented from carrying a kirpan in an Indian Airlines flight, Mrs Gandhi said she would look into the matter. She, however, clarified that the permission to carry kirpans in international flights was beyond the jurisdiction of the Government of India.

The convention of PCC and DCC presidents, also attended by the Central Ministers, party Chief Ministers and some MPs is the second exercise being undertaken by the central leadership to assess the party's poll prospects.

Mr Rajiv Gandhi, AICC (I) general secretary, called on every congressman to place his views before the party so that it took note of them and became stronger and united.

He said this conference was organised in pursuance of a decision taken at the last Calcutta AICC meet to give every congressman an occasion to express himself.

A similar meeting of party MPs, MLAs and MLCs held after the Calcutta AICC session helped the party understand the problems at the local levels in the States. These discussions would now be followed up at a number of meetings at lower levels in the States.

In furtherance of this process of discussion, a block level conference of sarpanchas would be organised this month by block pramukhs under the direction of DCCs.

This would be followed up in July by a State level convention of MPs, MLAs, MLCs, zilla parishad chairmen, corporation mayors, municipal council presidents, taluk board presidents and block pramukhs.

There would also be national conventions of front organisations like the National Students Union of India in Nagpur in July, the All-India Seva Dal rally in August at Patna and a convention of the Mahila Congress in Trivandrum in September.

The PCCs would hold from August 15 to September 15 State level conventions of PCCs, DCCs, BCCs and front organisations. In the final stage, a freedom fighters convention would be held in Allahabad on August 14 and 15.

#### Newsman's Briefing

Bombay THE TIMES OF INDIA in English 4 Jun 84 p 21

[Text] New Delhi, June 3--All the non-Congress-ruled states are implementing the 20-point programme as indicated in their reports to the Centre, but within their states they are projecting these programmes as their own and not that of the Union government, Mr Pranab Mukherjee, finance minister, said here yesterday.

Briefing newsmen on the outcome of the two-day national conference of PCC and DCC presidents, Mr Mukherjee, who heads the zonal committee for the southern states, said that district party presidents had reported that in Andhra Pradesh and Karnataka, the state government wanted to claim credit for the 20-point programme.

Mr Buta Singh, Central minister, who heads the zonal committee for the eastern states, including West Bengal and Tripura, said that Congressmen were kept out of the implementation of these programmes and they resented this.

## Cong. Kept Out

Mr P.V. Narasimha Rao, external affairs minister, who heads the zonal committee for Jammu and Kashmir and other northern states, said that the Congress had struck firm roots in Jammu & Kashmir, but the ruling party there sought to steamroller his partymen's efforts.

Mr Mukherjee pointed out that the 20-point programme was a national programme of the government and not of a party. It was approved by the National Development Council. This fact had been brought to the notice of the chief ministers. Moreover, he said, funds were allotted to states for specifically implementing the programme.

So they could not disguise it as a state government programme.

Mr Narasimha Rao stated that after the series of party conferences at different levels were held, the AICC would meet in October when all the information would be collated. This data would be the base for the AICC to give a directive to the government, he said.

## Party Infighting

On in-fighting in the party, Mr Rao sought to dispel this impression by saying that it was a case of over-enthusiasm. For instance, he said, in UP, the PCC president had to look after the problems of 58 DCCs and problems arose when the communication gaps occurred.

The conference concluded today after 2,400 participants gave a first-hand assessment of their problems to the five zonal committees headed by Central ministers.

The concluding session, addressed by Mrs Gandhi, was initially open to the press. But newsmen were informed at noon that it would not be open to the press.

There was considerable confusion about the press briefing also. Initially, it was to be held at the Asian Games village. Then the venue was shifted to the AICC headquarters. Again, at the last minute, the venue was shifted back to the village.

## Bengal Delegates' Comments

Calcutta THE STATESMAN in English 4 Jun 84 pp 1, 9

[Text] Congress(I) leaders from West Bengal who attended the two-day convention of the party in Delhi that ended on Saturday got the impression that it was preparing for the coming Lok Sabha elections on an "unprecedented" scale. As several party leaders said in Calcutta on Sunday, although no indication was given at the convention of the possible time of the election, all discussions on revitalizing the party organization riveted on the "needs of the election year."



Mr Rajiv Gandhi, AICC(I) general secretary presented the campaign programme after the convention was opened by Mrs Gandhi on Friday. He discussed the programme in detail again the next day. According to the West Bengal party leaders, while the Prime Minister confined herself to national issues such as Punjab. Mr Gandhi pivoted all discussion on the campaign strategy. Congress(I) Chief Ministers, presidents of State and district committees and the party Assembly leaders in the non-Congress(I) States were invited to the meeting. Besides, presidents of different mass organizations of the party and zonal conveners of the party's centenary celebration committee also attended the convention.

The State party leaders were interviewed in groups by the conveners of the five zonal units into which the party had been divided. According to the West Bengal Congress(I) leaders, Mr Buta Singh, Union Minister for Parliamentary Affairs, Mr P. Venkatsubbiah, Union Minister of State for Home, and Mr K.C. Pant discussed West Bengal's affairs with the State leaders.

According to the campaign strategy offered by Mr Rajiv Gandhi, the party will start organizing conventions of its workers from this month. In June, such conventions will be organized at the block level. The Delhi convention emphasized the need for spreading the organization at this level so that "no village was left out." It also asked the State leaders to assess the strength of the party vis-a-vis other parties at the village level.

The party will hold district-level conventions in July. At both the block and district conventions, all elected representatives of the party, including MLAs, MPs zilla parishad chairmen, municipal commissioners and members of panchayat bodies will discuss the political situation and local problems. The conventions will culminate in conferences of the State committees, which, however, will be organized in consultation with the zonal conveners. The State conferences have been slated for the end of July.

Follow-up measures on these conventions will be discussed at the national conferences of mass organizations of the party. According to the campaign blueprint, the National Students' Union of India will meet in Nagpur at the end of July, the All India Congress Seva Dal in Patna in August and the All India Mahila Congress in Trivandrum in September. All these preparations are to be completed by September 15, the programme schedule notes.

Mr Abdu Sattar, leader of the State Congress(I) Legislature Party said an important decision of the convention was that the Congress Seva Dal would henceforth be developed into a full-fledged mass wing of the party. Following a recent decision of the party High Command, 200 Seva Dal volunteers were sent to Punjab from West Bengal to campaign against the extremists. "They are working there at the risk of their lives," he said.

Some State party leaders also pleaded with the Central leadership for a change in the West Bengal committee. According to Mr Subrata Mukherjee, a number of district Congress(I) presidents joined Mr Gopal Das Nag, one of the general secretaries of the State committee in pleading for change. They had not complained against the present leadership, Mr Mukherjee said,

but said that the change was "overdue." Mr Sattar, however, said that there was another group in the State party which thought that reconstitution of the State committee at this stage would interfere with the immediate task of revitalizing the party's mass wings. Both Mr Mukherjee and Mr Sattar said that the Central leadership had made no commitments on the issue.

The West Bengal party complained against the alleged tyranny of CPI(M) workers in rural areas of the State. Mr Apurba Lal Mazumdar submitted a report to the party High Command on the "partisan" conduct of the District Magistrate and the Superintendent of Police, Howrah, during the last by-election to the State Assembly from Shibput.

CSO: 4600/1928



## CORRESPONDENT NOTES TROUBLES OF KASHMIR CHIEF MINISTER

Calcutta THE STATESMAN in English 2 Jun 84 p 1

[Text]

SRINAGAR, June 1.—The Union Home Ministry has expressed serious concern over the recent violent incidents in the State organized by pro-Pakistani elements and their resorting to arson and looting of both official and private property.

Disclosing this a spokesman of the Central Government said here today that the Home Ministry had also directed the Jammu and Kashmir Government's Home Ministry to submit its detailed report on these incidents.

Meanwhile, the president of the dissident National Conference, Begum Khalida Shah, in a memorandum to the State Governor, Mr Jagmohan, has accused the State law and order authorities of having unleashed a campaign of vendetta and victimization under orders of the State Chief Minister, Dr Farooq Abdullah, against her party workers and also against the workers of the pro-India State Youth Federation.

M. L. KOTRU adds: Dr Abdullah is confronted with serious law and order problems.

These are essentially creations of his opponents owing allegiance to the pro-Pak groupings and the Muslim fundamentalists. The Congress (I) men, never the ones to let an opportunity go by, are only add-

ing to his problem. A number of party MLAs from Jammu only yesterday approached the Governor with a plea to dismiss the Chief Minister.

The luckless Dr Abdullah thus finds himself cornered rather awkwardly. The Congress (I) charge against him so far has been that he is soft towards the pro-Pak elements and earlier this had found an echo in the statements issued from New Delhi by some members of the party high command. Dr Abdullah has since, and with the appearance on the scene of the new Governor, Mr Jagmohan, come down heavily on known anti-national elements. Several of their top leaders and activists were arrested and arms and ammunition seized.

The Chief Minister is at a loss to understand why the Central leadership of the Congress (I) is not asking the State unit to hold its hand till such time at least as he has been able to tackle the Muslim extremists. The irony of it is that New Delhi has viewed approvingly some of the steps taken by the State administration during the past few months to bring to book the extremists of all hues, including the pro-Pakistanis. In the circumstances, the expectation would have been that the Chief

## YUVA JANATA CHIEF RESIGNS FROM JANATA PARTY

New Delhi PATRIOT in English 2 Jun 84 p 1

[Text]

Yuva Janata president Sharad Yadav, also a member of the Janata Party's national executive, on Friday announced his resignation from the primary membership of the party which, he says, has become "totally paralysed and incapable of becoming an instrument of radical socio-economic change."

Mr Yadav's resignation has provided another jolt to the Janata Party which is already on the verge of a formal split.

Mr Yadav and some of his colleagues are likely to join the Lok Dal.

In a strongly-worded letter addressed to party president Chandra Shekhar, Mr Yadav said that in its present state of affairs, the party had become a laughing stock. As a result, caught up in the inner contradictions and pulls the Yuva Janata could not play the role it was supposed to.

"Any political party, committed to radical change in society, must have clear-cut policies. But today it is totally paralysed," Mr Yadav said in his letter.

He said, the party was merely adopting resolutions on issues like removal of poverty, corruption, unemployment and decrying price rise but it never committed itself to bring about radical changes in society for achieving these ends.

Even on major national issues, the leadership is divided and there is no consensus. Instead of explaining the party's stand, the leaders have been expressing their personal opinion, he charged.

Mr Yadav said the country is in a blind alley with no sense of direction and so "it is necessary for us to create the right atmosphere for the emergence of a viable national alternative," adding that "I am still in search of a new way. Being sensitive to the sufferings of the people, I cannot continue to associate myself with a

rudderless organisation."

During the day members of Delhi Janata Party demonstrated at the party's headquarters in the Capital demanding the resignation of Mr Chandra Shekhar.

They accused Mr Chandra Shekhar of corruption and of filling the decision making bodies with his own people and spreading casteism.

Speakers at the rally denounced Mr Chandra Shekhar for his "involvement" in the Rs 2 lakhs transaction to purchase Bihar MLAs to get Mr Shahabuddin renominated to the Rajya Sabha.

Mr Chandra Shekhar was charged with crippling the party with several splits which were a result of his "arrogance."

It was also announced that from 10 June, Janata Party workers would court arrest to demand Mr Shekhar's resignation.

PTI reports from Chandigarh: Prominent "dissident" Janata Party leaders "in consultation" with Mr Morarji Desai on his return from the United States, will convene a meeting at Bombay to formulate a strategy to "oust" Mr Chandra Shekhar, Mr Shankar Lal, a senior Haryana Janata Party leader said.

Mr Shankar Lal, former vice president of the Haryana Janata Party said a meeting of prominent party leaders at the residence of Mr S N Sinha in New Delhi on 27 May was attended by the "original and old," Janata leaders from Haryana who took notice of Mr Chandra Shekhar continuing in office.

Mr Shankar Lal, in a memorandum to Mr Chandra Shekar charged him with "aligning" himself with leaders like Mr Devi Lal, Mr Biju Patnaik, Mr Karpuri Thakur and putting the party under their "virtual charge."

## SUSPENDED JANATA LEADER HOLDS PRESS CONFERENCE

Bombay THE TIMES OF INDIA in English 4 Jun 84 p 7

[Text]

MADRAS, June 3 (UNI): The Janata Party leader, Dr. Subramaniam Swamy who is under suspension from the party, today said he would stay on in the party and fight to the last till he achieved the goal of cleansing the bad elements in it.

Addressing a news conference here today, he said there was no question of his quitting the party as it would become easier for the "demolition squad headed by Mr. George Fernandes" to operate successfully in the party.

He said he would meet "the Janata Party leader, Mr. Morarji Desai, in Bombay next week and urge him to call a national convention of party workers to discuss the party affairs and hoped that Mr. Desai would respond favourably.

Dr. Swamy said the disciplinary action initiated against him was politically motivated since he had exposed within the party the "misdeeds of the party president, Mr. Chandrasekar, and his links with the coal mafia in Dhanbad and Indo-Nepal smugglers based at Gorakhpur." He said Mr. Chandrasekhar had defending his connections with them in the party conclaves, describing them as "mere businessmen."

He said the Haryana chief minister, Mr. Bhajan Lal, had donated 37 acres of land at Gurgaon to one of the trusts, floated by Mr. Chandrasekhar.

Dr. Swamy charged that those who had said that there was a historical necessity to disband the Janata Party in 1979 had now taken control of the party and were singling out those who were loyal to the party during the crisis.

He said the show cause notice issued to him on behalf of the party by Mr. George Fernandes was "vague and did not identify the particular statement of his that they had taken exception to". Similar statements were issued by former Haryana minister Mrs. Sushma Swaraj and Mr. Ravindra Varma, he added.

## REGIONAL PARTIES' UNION APPEALS FOR UNITY

Bombay THE TIMES OF INDIA in English 4 Jun 84 p 9

[Text]

KOZHIKODE, June 3 (PTI): The national union of regional parties (NYRP) has called upon patriotic, secular and nationalist forces, represented by regional parties, to close their ranks and rally under a common banner to fight disruptive forces and restore the ethos of the freedom movement and strengthen the forces that could foster national unity and bring about economic progress.

A political resolution adopted at the two-day second national conference of the union, which ended here today, said the NYRP proposed to follow the system of decentralised federalism providing real power to the people.

The unchecked drift in the conduct of national and international affairs had thoroughly exposed the incapacity of the Congress to solve the problems of the people, it added.

The economic resolution adopted at the conference said that the national union proposed to draw up an integrated planning programme for rural development.

About 500 delegates of 15 parties like the Janata (G) and Kannada Nadu attended the convention.

The approach of the economic policy, the resolution said, would be to provide maximum employment to the people and bring down the prices of food materials by 50 per cent and all other articles by 25 per cent within a short period.

Steps would be taken to solve the unemployment problem by providing jobs to 50 million people every year, it added.

Through another resolution, the conference expressed grave concern over the growing communal, parochial and chauvinistic tendencies in different parts of the country, portending danger to the unity and integrity of the country.

Four major regional parties, the Anna DMK and DMK of Tamil Nadu, Tulu Desam of Andhra Pradesh and the Akali Dal of Punjab were not represented at the conference.

## IPS INTERVIEW WITH EXTERNAL AFFAIRS MINISTER REPORTED

New Delhi PATRIOT in English 4 Jun 84 p 7

[Text]

External Affairs Minister P V Narasimha Rao has said that a "whole new strategic perspective in the Indian Ocean area" is being imposed on the littoral and hinterland nations, reports UNI.

In an interview with IPS, Mr Rao urged the states of the region to react to these developments "with appropriate seriousness".

He reiterated India's plea for an early end to the fratricidal war between Iran and Iraq, and said failure to achieve this "may have the unintended effect of strengthening the foothold of the major powers in the region".

The introduction of "new command structures and the expansion of great power military presence in various manifestations will have serious destabilising effects upon the security of the nations of the area", Mr Rao said.

He was answering questions on the delay in the convening of a conference on making the Indian Ocean a zone of peace and on the establishment of a combat-ready US central command structure for the Gulf area to keep the oil lanes open for the western powers.

He said such moves have the "potential of leading to super power rivalries in the Indian Ocean and Gulf areas", leading to increased tension and "adversely affecting" peace in the region.

Elaborating his views on the Indian Ocean, Mr Rao said "as one of the co-sponsors of the 1971 UN declaration on the Indian Ocean as a zone of peace, India has consistently called for the elimination of great power military presence in the Indian Ocean".

However, "progress towards the convening of a conference on the Indian Ocean has been stalled" because of the "continuing insistence by some western countries on complete harmonisation of views before the convening of such a conference".

These countries, he said, "have tried to justify the naval presence of outside powers in the Indian Ocean".

"In the short run, their aim seems to be to prevent the holding of the conference. In the longer time span, it appears as if a whole new strategic perspective is being imposed on the littoral and hinterland nations", Mr Rao said.

Speaking of the need to end the Iran-Iraq war, Mr Rao noted that Prime Minister Indira Gandhi has already announced her "intention to continue consultations and take all possible and appropriate measures to bring about a speedy and peaceful termination of the conflict".

Mrs Gandhi, he said, has been "in constant touch" with leaders of both Iraq and Iran and has appealed to both to take "suitable measures to contain the conflict".

As far as India is concerned, Mr Rao said, it "does not conceive of its chairmanship as that of a referee between conflicting forces within the movement".

He said: "We have adopted the consensual approach of bringing the movement to address important questions through prior consultations and to build on areas of unity".

Such a process "may be some times slow but is a much more solid basis for ensuring the unity, solidarity, cohesion and credibility of the movement".

The NAM proposal for an international conference on money and finance for development has "evoked wide interest from many quarters, including the developed countries", he said.

The group of Third World experts, set up by Mrs Indira Gandhi in her capacity as non-aligned chairperson to define the issues and modalities of the conference has just submitted its report.

Mr Rao cautioned that "major reform in international economic relations cannot be expected to come overnight".

Little progress has been made towards a major objective of the developing countries — acquiring an "equitable share in the decision-making process of the international financial institutions" — Mr Rao said, citing instead "some backward movement".

He pointed to the eighth review of quotas in the International Monetary Fund and the selective capital increase for the World Bank, saying that both are "likely to result in diminution rather than increase in the voting share of the developing countries in these institutions".

India and the other countries, he declared, "shall continue efforts to ensure that developing countries achieve their due share in decision-making regarding the crucial issues of money and finance".

Mr Rao described the present state of the dialogue between developed and developing countries as "rather bleak".

But he said there are "signs of wider awareness", even among industrial nations, that the developed and the developing countries are inter-dependent.

Some of the biggest developed countries, however, "have not so far adopted policies consistent with the spirit and implications of interdependence".

"I personally hope", Mr Rao said, that "in their own enlightened self-interest", the developed countries "will soon join with us to try to promote progress towards a new economic order which would be beneficial to all of us".

An "increasing number" of countries are beginning to recognise that it would be to "everyone's advantage to replace the existing system by one which is more equitable and therefore more effective".

CSO: 4600/1926

GANDHI PRESIDES AT 4 JUN MEETING OF PLANNING PANEL

Bombay THE TIMES OF INDIA in English 5 Jun 84 pp 1, 9

[Text] New Delhi, June 4 (UNI)--The planning commission today approved the broad general approach to the seventh plan (1985-90) aiming at an overall growth rate of a little over five percent, more or less the sixth plan level of 5 percent.

At a day-long meeting presided over by the Prime Minister, Mrs Indira Gandhi, the commission decided that the main concentration of the plan would be on "food, work and productivity."

The plan will have three principal aims, the foremost of which will be the accelerated growth of agricultural production and of food production in particular.

The second principal aim would be to emphasise plan activities which would result in an increase in the creation of employment.

Improvement and increased productivity, particularly in low productivity areas, would be the third principal aim of the seventh plan.

The approach paper will be placed before the Union cabinet soon after it is revised in the light of today's discussions and the comments of the Prime Minister, who is also the chairman of the planning commission.

The National Development Council (NDC), the highest decision making body consisting of chief ministers and Central Ministers, is scheduled to meet here on July 2 and 3 to consider and approve the draft approach paper.

Explaining the decisions taken at the meeting, an official release said accelerated growth of agricultural and food production would involve a strong emphasis on irrigation with full utilisation of the irrigation potential already created and the maximum possible addition of irrigation facilities.

The emphasis in every sector of development will be on increase in the creation of productive jobs.



To improve and increase productivity, an all-out effort would be made to better utilise the existing capacity, along with modernisation and introduction of balancing facilities.

The endeavour would be to secure the maximum from the investment already made and from the investment to be made in the seventh plan. This would involve the improved functioning of the industrial infrastructure.

There would be emphasis on investment on such infrastructure and for its expansion so as to keep pace with the needs of the economy.

Besides the planning minister, Mr S.B. Chavan, the meeting was attended by the finance minister, Mr Pranab Mukherjee, the defence minister, Mr R. Venkataraman, and the four members of the commission, Prof M.G.K. Menon, Prof A.M. Khusro, Dr C.H. Hanumantha Rao and Mr Mohammad Fazal.

PTI adds:

Earlier, the Prime Minister, Mrs Indira Gandhi, suggested to the planning commission to give priority in the seventh plan to "food, work and productivity."

Mrs Gandhi, in her opening remarks to a full meeting of the planning commission, said while the objectives of the approach plan paper were "unexceptionable" guiding principles for the seventh plan, "there should be a sharper focus on employment and poverty alleviation."

The three objectives set out in the approach paper are "growth, equality and social justice, self-reliance, and improved efficiency and productivity."

The commission met under the chairmanship of Mrs Gandhi to consider and finalise the draft approach paper to the seventh plan, which sets out the priorities and strategies to achieve the objective.

#### Faith in Planning

Calling for a growth structure designed to maximise employment, Mrs Gandhi said "if we can show this as the foremost objective of the seventh plan, I think we can rekindle faith in the planning process."

The emphasis on employment, Mrs Gandhi said, was "because more and more we find that we are coming to a situation where without having a system of giving doles, in practice we are giving doles. We are not helping people to stand on their own feet and work with self-confidence and with self-respect, which is the first essential if you want people's co-operation."

Warning that people's patience was not limitless, Mrs Gandhi said "we have to convince the poor, and I think perhaps ourselves also, that they will not have to wait indefinitely for a change."

Mrs Gandhi said the "movement towards social justice must be faster and should be seen by all as such." Any restructuring necessary for this must be undertaken, she said, adding "employment is the key variable here. Productive employment will raise output and incomes on a sustained basis."

About poverty alleviation schemes, Mrs Gandhi said "the emphasis on rural employment through NREP, RLEGP and IRTP must continue. However, much closer monitoring and much tighter planning and organisation are essential for effective implementation."

Mrs Gandhi said she was getting reports from all over the country that the beneficiaries of these programmes "are seldom able to make full use of the assistance which we give them because of shortage of or even the complete lack of backward and forward linkages."

"Are we providing such linkages, veterinary services, market outlets, to mention only two in the seventh plan," Mrs Gandhi asked.

She also wanted these programmes, "which are now largely individual-oriented," to be given "a wider community base, to improve their vitality."

#### Investment Policy

The prime minister said "for non-inflationary growth of employment, agricultural production, particularly food production, must be augmented significantly."

Mrs Gandhi said "looking at long-term trends and the composition of agricultural growth crop-wise and regionwise, there are big gaps. The difference between potential and actual achievement is far too wide and it is most where poverty is endemic."

She said "the obvious thrust, therefore, "has to be towards the rapid increase in productivity in low productivity and in low productivity areas and in crops such as rice, coarse grains, oil seeds and pulses."

"This, she said, meant a "reorientation of investment to give primary to agricultural growth." Also, there must be "wide-ranging reorganisation of the management of agriculture, research, extension, infrastructure, credit and finance and a host of other activities which have to be dovetailed with programmes to raise agricultural productivity."

Mrs Gandhi said while the impetus for large expansion of employment must come from agriculture, the potential of the industrial sector could not be minimised.

In the ultimate analysis, she said, the removal of poverty was indispensably linked with rapid industrialisation. At present the major constraint on industrialisation was the unsatisfactory rate of agricultural growth.

The Prime Minister said as we loosened this constraint in the seventh plan, "as we plan and hope to do," there should be no inhibition about thinking of a sufficient high rate of industrial growth.

She said there was considerable scope for faster growth through better utilisation of existing capacity.

Referring to the industrial sector, Mrs Gandhi said "we have to be more daring in modernising and upgrading our technology inducting new technology to raise output manyfold."

The entire industrial sector should be analysed to "chart growth possibilities" more carefully and to remove all obstructive constraints and impediments.

India, she said, also could not be left behind in crucial areas of high technology when such very fast growth was taking place now in developing countries. "New policy initiatives are needed for efficiency and productive utilisation of resources."

Mrs Gandhi said the lack of efficiency and integrity in implementing projects--whether big or small--must be ended.

The approach to the seventh plan, she said, would be incomplete if it did not draw attention to this problem and if the plan, when formulated, did not come up with precise and concrete formulations to change "our management and administrative systems for the better."

CSO: 4600/1927

## PRESS REPORTS PARTIES' REACTIONS TO PUNJAB CRISIS

BJP, CPI-M Leader, Janata Chief

Madras THE HINDU in English 6 Jun 84 p 9

[Text]

NEW DELHI, June 5.

The Bharatiya Janata Party today described the Union Government's decision to call in the Army to deal with extremism in Punjab as "an unavoidable, but belated step." An urgent meeting of the party's national executive reviewed the latest developments in Punjab. In the absence of Mr. A. B. Vajpayee, who was in Bangalore, the vice-president, Mr. Jagannath Rao Joshi, presided.

Members generally welcomed the induction of the armed forces to restore law and order in Punjab. They felt things would not have gone as far as they had, if firm action had been taken earlier. The operation in Punjab, the party said, should be short and swift. It was neither possible nor desirable to keep the Army on the internal law and order job for a prolonged duration. Also, to be effective, the Army must receive clear and unambiguous political directions about its role, functions and tasks.

**Censorship criticised:** The BJP criticised the censorship orders on the press. The blanket ban on news and comments about the Punjab happenings had created a vacuum which could only lead to a flood of rumour, and increasing reliance on foreign news broadcasts, like from the BBC. While ensuring the success of Army action against terrorists, the Government must ensure that people were not starved of news. The BJP felt that in all previous crises the press had proved a bulwark of strength to the forces of unity.

PTI, UNI report.

**Basu endorses decision:** The West Bengal Chief Minister, Mr. Jyoti Basu today endorsed the induction of the Army to tackle the 'very dangerous' Punjab situation and urged the Akali Dal to accept the Prime Minister's renewed offer for a negotiated settlement of their demands.

"The induction of the Army as an administrative measure to put a stop to the gruesome murders and senseless killings is all right. But simultaneously, negotiations should start. Otherwise, this problem will not be solved."

Mr. Basu, who returned from Delhi after a meeting of the CPI (M) politburo, told newsmen in Calcutta that "Our criticism was that the Opposition had made certain concrete suggestions which should have been acted upon. But that was not done. Anyway, since the Prime Minister has reiterated her offer to the Akali Dal to come back to the negotiations table they should accept the offer," he said.

**Unfortunate, says Janata chief:** In Ahmedabad, the Janata party president, Mr. Chandra Shekhar, has described the calling in of the Army in Punjab as "unfortunate" and demanded its withdrawal as early as possible. Mr. Chandra Shekhar, who is on a four-day visit to Gujarat, said yesterday that a negotiated settlement was possible in Punjab.

**Terrorism must be put down:** The All India Sampradayikta Virodhi Committee has welcomed the calling in of the Army. The Punjab situation was discussed at a special meeting in New Delhi of the committee's executive which felt the unabated terrorism needed to be put down.

## CPI Statement

New Delhi PATRIOT in English 5 Jun 84 p 6

[Text]

The CPI has called on the Akali Dal leadership to give up its recalcitrant attitude and respond to Prime Minister Indira Gandhi's appeal to come to the negotiating table.

The party made a frontal attack on Mrs Gandhi and accused her of "embarking on a plan to undermine the parliamentary system and impose an authoritarian rule on the country through the presidential system".

CPI general secretary C Rajeswara Rao told newsmen on Monday that though the Akalis would do well to demarcate themselves from the extremists and come for discussions, the Government should not wait for this, but should immediately call an all-party round-table for a political solution to the Punjab tangle.

A political solution on the basis of the 30 June 1983 formula arrived at the meeting of the Opposition parties, in which the Akalis had also participated, would help totally isolate the Sikh extremists, Mr Rajeswara Rao said.

Mr Rao released to the press the statement of the party central secretariat which met between 1 and 3 June in New Delhi. The party came down heavily on the Prime Minister, and the ruling party for various crises in different states. In Punjab, it said the Centre had so far miserably failed to solve the problem and save innocent lives. In Maharashtra, where it called for a judicial enquiry into the Bhiwandi and Bombay riots, the CPI blamed the Congress Government in the state of softness towards the Shiv-Sena,

which was mainly responsible for fomenting communal trouble.

Mr Rao, who elaborated on the party statement, said Mrs Gandhi had launched the campaign for a presidential system; and the campaign was now being vociferously carried out by her Cabinet Ministers. The CPI leader said Mrs Gandhi was keen on the presidential system as she was not sure of her party and partymen, with their bickerings and infights, would succeed in the elections. She wanted to be elected President on her own popularity so that she could rule even if the party lost.

The CPI also condemned what it described as naked moves by the Centre to destabilise the Farooq Abdullah Government in Jammu and Kashmir. "Since the plan of buying over MLAs has failed, new ground is being prepared to ultimately dismiss the Government", the party said.

On the imposition of President's rule in Sikkim, the CPI said the manner in which the Bhandare government was dismissed, a minority Government imposed and then imposition of President's rule was unmistakable evidence of the undermining of democratic institutions in the country.

On the international situation, the CPI noted that the appeal by six heads of government, including India, to the nuclear powers for a freeze on nuclear arms had been welcomed by the Soviet Union while US President Ronald Reagan flew into a rage. "The contrast is sharp and clear for everyone to see" the statement said.

## CPI-M Politburo

Calcutta THE STATESMAN in English 12 Jun 84 p 1

[Text]

NEW DELHI, June 11.—The Politburo of the Communist Party of India (Marxist) has made two conflicting statements on the Punjab developments within a span of four days, June 3—June 6.

This evidently brought to the fore the sharp differences among the members of the Politburo.

In its June 3 statement, the CPI(M) Politburo appealed to the Akali leadership to respond to the Prime Minister's call for a dialogue, pointing out that the failure of the Akalis to "clearly demarcate themselves from and denounce the violent activities of the extremists leading to the deaths of several dozens of innocent people, together with their failure to stop the use of gurdwaras for sheltering the criminals indulging in violent activities, has cost them the goodwill and support of all democratic sections of people throughout the country".

The June 3 Politburo statement of the Central Marxist Communist leadership asked the Akalis to turn a new leaf and facilitate the creation of normality in Punjab and restoration of relations between the Sikhs and non-Sikhs throughout the country. It also hoped then that "the Congress(I) Government at the Centre and the Akali Dal would rise to the occasion. Since

otherwise there is every danger of the situation in Punjab worsening further.

The Politburo meeting of the CPI(M) was attended by all its members except Mr P. Ramamurthi, who was in hospital.

The Prime Minister's appeal for a dialogue was rejected by the Akali Dal leadership.

On June 6, the Politburo made a total turn-about from its June 3 position. In the wake of military action in Amritsar and other places in Punjab, the CPI(M) Politburo declared that in its view "the tragic happening could have been avoided if only the Prime Minister and the Congress(I) Government at the Centre had found a political solution to the Punjab problem."

The Politburo statement further added that "far from doing this the Centre refused to accept and implement the consensus worked out by the Opposition parties, including the Akali Dal in June 1983".

Lastly, the June 6 statement pointed out that "even today the Prime Minister is not taking the Opposition into confidence. She has not thought it proper to have consultations with the Opposition in regard to the handling of the Punjab situation".

CSO: 4600/1932



FORMER SIKKIM CHIEF MINISTER MEETS DELHI PRESS

Calcutta THE STATESMAN in English 6 Jun 84 p 9

[Text] New Delhi, June 5--After meeting Mrs Gandhi and Mr Rajiv Gandhi, AICC(I) general secretary, Mr B.B. Gurung, whose Government fell with the imposition of President's rule in Sikkim, said here today that his "feeling was that elections to the State Assembly would take place along with the Lok Sabha elections, "whenever these are held either in December or January."

The Assembly poll in Sikkim is due in October this year, but Mr Gurung thought that President's rule would be accorded more than six months parliamentary mandate "so that it will be synchronized with the Lok Sabha poll."

The other point Mr Gurung made at a Press conference was that there was good chance of the Congress (I) coming to power on its own in the next election and if not, he envisaged an anti-Bhandari coalition in which the Congress (I) would be the dominant partners.

Mr Gurung said that the Congress (I) had begun making preparations to contest the Assembly poll on its own, and for this purpose the party was to be revamped and the present set-up replaced by an ad hoc body. The entire party would also be reorganized.

He said that the party high command had been taking steps to "strengthen" the Congress (I) in Sikkim. It was expected that the former Chief Minister, Kazi Lhendup Dorji's Sikkim United Council and Mr C.B. Rai's Himali Congress would join the Congress (I) to make way for a broad-based party that would go to the poll and "hope to win it."

Mr Gurung said Kazi Lhendup Dorji had already written to Mrs Gandhi expressing his desire to join the Congress "enmasse." The Kazi would be in Delhi in a day or two to pursue the matter. The Congress (I) high command has welcomed the decision of the Kazi.

Mr Gurung envisaged the coming together of the Congress (K), the Sikkim United Council and the Himali Congress, and "if possible, Mr Poudyal's Congress (R) also" since all of them are against the former Chief Minister, Mr N.B. Bhandari, who has formed a new regional party and "all these forces together will confront Mr Bhandari and will be able to defeat him."



Asked if Kazi Lhendup Dorji comes into the Congress (I) would be accepted as the party's leader, Mr Gurung replied: "We have stated that there must be a thorough reorganization of the party. Regarding leadership, we have left the matter completely to Mrs Gandhi to decide."

If the Kazi comes in as the leader of the party, "where does it leave you" was the next question. Mr Gurung replied that the choice of ad hoc President of the Sikkim Congress (I) would be made by Mrs Gandhi and she would make the choice from among the members suitable for the job. He admitted that he had some "reservation" about the Kazi becoming the leader, and said that his (the Kazi's) joining the Congress (I) should not be conditional.

CSO: 4600/1931

REASONS FOR FINANCE MINISTER'S LONDON VISIT TOLD

Bombay THE TIMES OF INDIA in English 6 Jun 84 p 9

[Text] London, June 5--The Indian finance secretary, Mr P.K. Kaul, is here today to meet the British officials in an effort to persuade them to use their good offices for continued flow of concessional aid without reduction.

The soft aid is necessary to enable India to continue with her adjustment policy without sacrificing growth.

The U.K. strongly supports this idea especially in view of the reduced quantum of international aid because of overall reduction in the size of IDA-7 and a new contender for IDA aid, that is China.

Since the U.S. reduced its commitment to IDA-7, its size had to be reduced from \$12 billion of IDA-6 to \$9 billion. India feels that the drastic cut in concessional aid would lead to cut backs on imports and adversely affect her adjustment policies and slow down the development processes. The World Bank report released two weeks ago supports India's contention.

The U.K. was amongst the first few countries to have favoured supplemental fund to compensate for the reduction in IDA-7. Most European countries, with the exception of West Germany, agreed to this fund.

This, however, could not be put in place because of pressure from the U.S. government and the reluctance of Japan to join the donors without having solved its outstanding problems on the role of Yen and reduced tariffs on imports. U.K. is still hopeful of the supplemental package which could be of importance to India and other third world developing countries.

U.K. Stand

The British have been insisting that they are ready to honour their commitments to enable the IDA-7 and the supplemental fund package amount to reach \$12 billion. The U.K., like some other Western countries, believes that India should continue its liberal trade policies, relaxed atmosphere for investment and adjustment policy.

It does not agree with some other donor nations that India can afford to do with less soft aid and embark upon a policy of borrowings from commercial sources. Such a policy could create problems for the economy which could adversely affect repayment of loans which will fall due between 1985-1987.

During his stay here, Mr Kaul will have talks with the overseas development administration minister, Mr Timothy Raison, and other officers of the foreign office. Mr Raison recently stressed the importance of continued aid to India and praised the excellent performance in the economic field.

#### Largest Donor

Besides being the largest bilateral aid donor to India, Britain also contributes to the World Bank, the development agencies of the United Nations and to the European community, all of which give substantial aid to India. Britain takes an active role in the group of eight donors which meet every year under the World Bank's chairmanship to discuss aid and development issues concerning India. This year's meeting is scheduled for June 18-19.

Britain rendered strategic assistance to India in IDA-5 and IDA-6. India expects that Britain will continue to give key support in ensuring continued flow of concessional aid in the next few years.

The U.K., like the U.S., believes that its aid policy should give more weight to commercial industrial and political considerations though it does not go along all the way with the U.S. which is now tying up its aid purely on the basis of support it receives from the recipient countries on key issues in international forums. Like the U.S., U.K. however, emphasises the need for private investment commercial lending, trade and sound domestic policies as essential basis for development.

Mr Kaul also held talks with officials in Paris in connection with IDA-7. Last year, the consortium aid to India was \$3.6 billion. The quantum of aid for the current year has not been indicated though it is expected to be considerably reduced.

Mr Kaul is also likely to take this opportunity to convey to the British officials India's general concern about the world economic crisis created mainly by rising American interest rates which has increased the debt burdens of recipient countries, increased protectionism and reduction in aid and restricted commercial lendings.

Earlier last month, Mr L.K. Jha, chairman of the Economics Reforms Commission called on the British Prime Minister and held discussions with British officials on India's concern about the economic crisis which has created special problems. He conveyed India's concern to the U.K. and other countries which will be meeting in summit here at the end of this week.

BRITISH PAPER INTERVIEWS INDIRA, RAJIV

Remarks on Punjab

Bombay THE TIMES OF INDIA in English 11 Jun 84 p 9

[Excerpt] London, June 10 (PTI)--The Prime Minister, Mrs Indira Gandhi, has said that Sikh extremists had used violence to obstruct agreement between the government and the Akali Dal whose leaders had become "prisoners" in the hands of fanatics.

"There is some method in the whole thing. It has not just been a series of isolated events," she told the "Sunday Times" in an interview published here today.

She said that the army had to be used against the extremists because the forces of destabilisation were at work. "There has to be a local grievance to be exploited, of course, and local rivalries too, with one person trying to be more extreme than the other," she added.

Mrs Gandhi said that there was a plan to cause trouble in India. "This is very difficult to say because it is not something we can prove, but it could be," she replied when asked if there was a foreign hand.

The Prime Minister told Andrew Neil, editor of the newspaper, that "outside elements" were exploiting and taking advantage of internal grievances in India.

"Functions Devolved"

Asked if India was reeling under a wave of religious fundamentalism, she replied, "There is an element of that in Punjab which is distressing. But the fundamentalists are very few, though the secular Indian state is always under threat from fanatics."

When the interviewer asked if fundamentalism was a greater threat to the integrity of India than before, Mrs Gandhi said "democracy has encouraged all this. It is so highly competitive that everybody looks for some kind of support. That encourages slogans of regionalism, of language, of caste and, yes, of religion too."

The interviewer remarked that while extremists wanted "Khalistan," the moderates would settle for autonomy and he asked why they would not be granted more devolution.

Mrs Gandhi explained that many functions--agriculture, social services, some taxes and industry--were already devolved to the state governments.

She wanted to go further and "conceded" that the existing devolution was not working as well as it could. But the events in Punjab had gone far beyond being solved by constitutional reforms. Extremists had fanned out from the temples to terrorise the countryside.

When Mr Neil suggested that the feeling among the "Delhi establishment" was that she should have acted sooner and more toughly, Mrs Gandhi replied, "If you act toughly, then people say you have been too tough."

Mrs Gandhi said that the government had hoped that by accepting some of the demands in Punjab, the situation would be eased. "But there were elements who did not want us to succeed," she added.

#### Rajiv's Prediction

Answering a question, Mrs Gandhi said that a large number of Sikhs were in the Congress Party. "When I visited the Punjab four months ago I had very big meetings in five cities, and most of them were Sikhs. The agitation was really started by the Akali Dal party. But they lost control to young fanatics. The Akali Dal leaders became their prisoners."

Losing control is not something that happens easily to Mrs Gandhi, the editor wrote, adding, "This tough little woman has presided over a sub-continent of seven hundred million people--one-sixth of mankind--for the past 18 years, with a brief interlude when she lost the 1977 election."

Meanwhile, Mr Rajiv Gandhi, MP, general secretary of the Congress, has expressed the view that terrorist activity and unrest in Punjab will end in the next two to three months.

He told the editor of the "Sunday Times" that "there will be terrorist activity and unrest for the next two to three months." Some of the "violent men" had fanned into the countryside before the army went in, he added.

He pointed out that rockets and all kinds of sophisticated weapons had been found inside the Golden Temple. Such weapons could only be supplied by another government, he said.

The harm caused by years of violence and disaffection in Punjab must be repaired without delay, a leading British Sunday newspaper today suggested in an editorial on the events in Punjab.

## Indira on Rajiv

Bombay THE TIMES OF INDIA in English 11 Jun 84 p 9

[Text] London, June 10 (PTI)--"India will survive. India always finds its feet," the Prime Minister, Mrs Indira Gandhi, has told a British newspaper editor who asked what would happen after her.

To his remark that it was hard to imagine India without her, Mrs Gandhi told Andrew Neil, editor of the "Sunday Times": "Well, the people have known me for a long time."

She denied that she was trying to build a dynasty by bringing Mr Rajiv Gandhi into politics. "How can you build a dynasty in a democratic system. The people have to elect a person. I have lost an election. How can you force or nominate a successor? You simply cannot," she added.

Asked whether she did not want Rajiv to be the Prime Minister, Mrs Gandhi told the interviewer, "If you say would I like him to be, then I would say no. But one does not know how one gets catapulted into situations."

Why was there no "Indira Gandhi figure" among the opposition parties? Mr Neil asked.

CSO: 4600/1938

## INDIAN DELEGATE SPEAKS AT ILO CONFERENCE

Bombay THE TIMES OF INDIA in English 9 Jun 84 p 9

[Text]

GENEVA, June 8 (PTI).

INDIA today asked the International Labour Organisation (ILO) to be more flexible and keep in view the needs of developing countries while formulating "minimum labour standards" for improving the working and living conditions of workers in the world.

This was necessary because international labour conventions continue to be based on standards developed in more advanced countries catering to the needs of organised sector while almost 90 per cent of the labour force in developing nations was engaged in unorganised rural and informal sectors, the leader of the Indian delegation, Mr. Veerendra Patil, said, addressing the ILO annual conference which opened here on Wednesday.

The main problems of developing nations were poverty, under-employment unemployment, he added.

The three-week session is being attended by over 1,600 delegates representing government, employer and worker organisations from the 151-member countries. India is contesting for the chairmanship of the ILO governing body, elections for which will be held after the conference ends on June 27.

**PROBLEM UNRESOLVED**

In such a situation, Mr. Patil asked, was it not legitimate for the developing countries, constituting the bulk of ILO members and labour force in the

world, to ask what these standards meant for improving their working and living conditions when their primary problem of getting employment remained unresolved.

Presenting a "grim backdrop" of world unemployment, Mr. Patil, who is the minister for labour, said it had risen to such a level that even the developed countries were finding it difficult to meet the situation.

But, in the case of developing countries, "the picture is more depressing."

The labour force, he said, was growing very rapidly in developing countries because of population growth and about 450 million was expected to be added during the current decade.

Mr. Patil said the aims of establishing the ILO could be achieved only by increasing its "technical co-operation activities" and allocating more funds from its budget for this purpose during the next few years, without belittling the importance of standard-setting activities.

He regretted that less than ten per cent of the ILO regular budget was allocated for "technical co-operation activities". The bulk of these activities depended on external resources for funds, he added.

The minister said there was also need for close and effective co-operation among developing countries at all stages of formulation of standards.

This could be achieved, he said, by closer co-operation by convening frequent meetings of labour ministers of the regions, and networking arrange-

ments of smaller groups of countries at regional levels.

**EFFECTIVE CO-OPERATION**

Mr. Patil said there was also need for mobilisation of resources of a group of countries in training personnel and in aiding members of a group in evaluating the impact of proposed standards, in the light of situations obtaining in countries of the region.

There should also be training of worker's organisations in the correct appraisal of proposed instruments of national economy, and constitutional or technical feasibility of adopting such standards.

The minister said it would also be preferable to drop conventions which had not received the required number of ratifications for entry into force for the last two decades.

Mr. Patil said that in view of the existing multiplicity of conventions on such subjects as social security, these could be consolidated and rationalised.

Conventions should contain basic principles and should not attempt to lay down very detailed requirements.

His other suggestion was that it would be preferable to indicate a time of say, ten, 15 or 20 years within which a convention should be ratified so that the relevance of a convention was appreciated in the proper perspective by member countries.

Referring to the revision of convention concerning labour statistics, he said it should be flexible enough to allow the developing countries to reach the requirements by stages, if necessary.



## INDO-NEPAL INTERGOVERNMENTAL COMMITTEE MEETS

Bombay THE TIMES OF INDIA in English 9 Jun 84 p 9

[Text]

KATHMANDU, June 8 (UNI).

THE seventh meeting of the Indo-Nepal inter-governmental committee, under the trade and transit treaties, concluded here today after, what the leader of the Indian delegation, the Union commerce secretary, Mr. Abid Hussain said reaching "a threshold" of a "new era" of boosting bilateral trade between the two countries.

Mr. Hussain told newsmen after signing the agreed minutes with his Nepalese counterpart, Mr. Demodar Prasad Gautam, of the Nepalese foreign ministry that the talks were held in a "totally relaxed" atmosphere. "It was one of the finest meetings that we ever had," Mr. Hussain said.

The four-day IGC talks which began here on Tuesday ended with an agreement on several measures to promote bilateral trade, improve transit facilities for the Nepalese cargos through the Indian territories and check unauthorised trade across the border.

Mr. Hussain said the Indian delegation had agreed to give a few concessions to the Nepalese goods into the Indian market to correct the adverse trade balance Nepal was facing with India.

## TRANSIT PROBLEMS

He said, India has agreed to increase 12 more items of the Nepalese industrial and other products in the list of commodities to be provided preferential treatment in the Indian market. With the inclusion of 12 more items, a total of 47 items of Nepal can now have a tax-free entry into the Indian market.

In order to make the procedure of certificates in respect of the Nepalese items of export, 19 items of Nepal will be allowed into India without a "proforma formality."

Referring to the transit problems of Nepal, Mr. Hussain said the time for lifting the Nepalese cargos at the Narayanpur Anand Shed had been extended from one day to three days. This arrangement had been made for one year subject to its extension at the next meeting.

India has also agreed "in principle" to simplify the insurance procedures which will, however, be taken up with the respective state governments.

The leader of the Indian delegation added that India was interested in promoting trade relations with its neighbours and imports goods from them. In this context, he said, India would like Nepal to produce such agricultural products as oil seeds and the likes that would easily find a market in India.

Another important field, where Nepal can narrow its trade gap with India, is the supply of power. If Nepal becomes a big powerhouse, India stood to gain, he said.

Mr. Hussain said the figures of unauthorised trade in 1983 stood at Rs. 19.2 million, as against Rs. 24 million in 1982.

He felt the task of checking illicit trade between the two countries still remained.

One way to control deflection of goods was "a correct exchange of information" and both the countries had agreed to exchange the information periodically, he said.

The next round of talks will be held in Delhi next year.

OFFICIAL EXPLAINS BAN ON MEDIA COVERAGE OF PUNJAB

Madras THE HINDU in English 4 Jun 84 p 1

[Text] New Delhi, June 3--The Government has prohibited reporting, transmission, printing and publication of any matter relating to the current agitation in Punjab and operations of security forces.

The order is applicable only in Punjab and not in other States.

A Home Ministry source in New Delhi clarified that the order was issued under a Punjab Act and its operation was naturally confined to that State.

The following is the text of the order:

"Whereas the President of India is satisfied that such action is necessary for the purpose of preventing and combating activities prejudicial to the maintenance of communal harmony affecting or likely to affect public order.

Now, therefore, in exercise of the powers conferred by Clause (A) of Sub-Section (1) of Section 2 of the Punjab Special Powers (Press) Act, 1956, the President of India is pleased to prohibit for a period of two months from today the reporting, transmission, printing, publication or otherwise dissemination in any document, including teleprinters, telegraph or television, transmission of matter relating to the current agitation in Punjab and operations of security forces, including news reports, editorials, articles, letters to the editors, cartoons, comments, advertisements, pictures, posters or photographs, which are likely to create feelings of disharmony, enmity, hatred, ill-will, distrust or fear between different communities, or affect public order."

CSO: 4600/1925

MIZORAM LEADER DISCUSSES NEGOTIATIONS WITH CENTER

Bombay THE TIMES OF INDIA in English 5 Jun 84 p 7

[Text] New Delhi, June 4 (UNI)--The Mizoram chief minister, Mr Lal Thanhawla today said a lot of spadework had to be done before resumption of talks between the Centre and the Mizo National Front (MNF).

"Though a healthy beginning has been made and differences are being narrowed down, a lot more will have to be done before we can really sit down and solve the longstanding problem."

He said the Church has a "very important" role in bringing about peace in the Union Territory and the response of the Church leaders "appears to be positive."

"Some of these Church leaders are already in London and they may feel the pulse of Mr Laldenga."

Asked to specify whether talks would be resumed from the point where they broke down in 1982 and Mr Laldenga would be invited soon to return to India, Mr Thanhawla said: "These things came up for discussion during my meeting with the Prime Minister, Mrs Indira Gandhi. She said she would take them up with her colleagues and a decision would be taken at the earliest."

Laldenga Move Hailed

Regarding Mr Laldenga's latest response to Mrs Gandhi's appeal he said: "It is good that he has agreed to shed violence and accept a solution within the constitutional framework."

His willingness to hold talks anywhere in contrast to his earlier stand is a welcome step.

He said the overwhelming majority with which his party recently won the elections was a "clear mandate" for bringing about a lasting peace in Mizoram.

"Towards this end we are trying our best and my government will urge the Centre to solve the problem at the earliest," he added.

Regarding the government's position vis-a-vis Mr Laldenga's demands, Mr Thanhawla said: "If he is ready to meet us half-way, we will also certainly lag behind."

However, he said some of Mr Laldenga's demands like the dismissal of the Sailo ministry have been overtaken by events.

#### Other Demands

On other demands also there should not be any problem as Mr Laldenga "Appreciates the legal and constitutional problems of the Centre."

Mrs Gandhi had announced at Aizawl on April 16 that the government was ready for talks with the MNF provided there was no violence and the settlement was within the framework of the constitution.

Mr Laldenga, who has been living in Britain ever since the breakdown of the peace talks in January 1982, has declared his acceptance of both the conditions subject to ratification by the MNF executive.

Reports from London had quoted him as saying: "I am willing to do anything for peace. I will get the approval of the MNF executive."

CSO: 4600/1927

## PUBLIC SECTOR ENTERPRISES PERFORMANCE 'EXTREMELY POOR'

Calcutta THE STATESMAN in English 2 Jun 84 pp 1, 7

[Text]

NEW DELHI, June 1.—Public sector enterprises as a whole again performed extremely poorly in 1983-84. Compared with the overall profit of nearly Rs 700 crores made in 1982-83, they are estimated to have made a loss of about Rs 30 crores in 1983-84.

This retrograde development formed the backdrop to the two-day conference of chief executives of the public sector enterprises which ended yesterday under the chairmanship of Mr S. M. Krishna, Minister of State for Finance, when a series of recommendations were made for their improvement.

At a Press conference yesterday, Mr Krishna declined to reveal the estimates of the losses made by the public sector in 1983-84 although he admitted that they had done badly. In fact, he claimed that the latest indications were that the enterprises would collectively show a small profit.

Nevertheless, it was revealed at the conference by some participants that the performance of the public sector would put the book back to 1980-81 when the enterprises as a whole incurred a loss of Rs 200 crores—in fact they made losses from 1977 to 1981, and then improved until 1983.

The recovery during 1981-83 has proved to be extremely short-lived. The curious situation of heavy losses has been reverted to

despite the fact that profit-making enterprises actually increased their profits during 1982-83 from Rs 1,600 crores of the previous year.

The main reasons for the sudden overall loss is that the group of 13 enterprises which made a total loss of around Rs 800 crores in 1982-83 further increased their losses in 1983-84. The main culprits are the Steel Authority of India and Coal India. Their dismal performance has been contributed to by the enterprises taken over by the Government in the engineering and textile sectors.

One way to improve the performance of the public sector mentioned by Mr Krishna was the introduction of the French system of a "contract" between the Government and the public sector enterprises under which the latter undertook to perform agreed tasks with the Government.

The experiment has actually been carried out by the Department of Mines. Its Secretary, Mr P. K. Basu, shared with the Chief Executives the lessons of the exercise which is known as the "production-cum-profit improvement management system" which he recommended for general adoption.

This exercise, which was started a year ago, has brought a remarkable turn around with substantial improvement in production and capacity utilization as well as a

dramatic improvement in profitability.

Mr Basu revealed that of the five large operating public enterprises in the department, Hindustan Zinc, Hindustan Copper, and Mineral Exploration Corporation wiped out losses of more than Rs 45 crores in 1982-83 and opened their account for 1983-84 with substantial profits. In the case of two others, Bharat Aluminium and Bharat Gold, losses had been reduced by about Rs 20 crores.

At his Press conference, Mr Krishna said that one of the recommendations of the chief executives' conference was that sufficient returns to the economy must come out of the massive investments made in the public sector. Economic viability must be the principal test for the survival of an enterprise.

It was also agreed that continuity and consistency of the top management philosophy was an essential pre-requisite for organizational excellence and for this longer tenures—preferably of five years—for chief executives and other top management executives were vital.

Another recommendation was that, for efficient performance it was necessary that delegation of powers should be such as to obviate repeated back and forth reference to the Government. Procedural deficiencies in operational matters should be reviewed.

## WEAKNESS OF CUSTOMS PATROL ON BOMBAY COAST NOTED

Bombay THE TIMES OF INDIA in English 2 Jun 84 p 9

[Article by S. Kumar]

[Text]

BOMBAY, June 1.

**S**MUGGLERS are increasingly able to land contraband on the Bombay coast despite customs patrolling on the sea.

At least four cases which came to light last month expose the weakness or inadequacy of such patrolling. In fact, the big hauls of contraband last month were all made by the marine and preventive wing on shore.

A three-wheeler was stopped on May 1 on Nepean Sea Road with Rs. 24 lakhs worth of contraband. The customs have not been able to do more than merely seize the goods, as the driver said he got a telephone call to bring the vehicle on hire to a given location. The craft which brought the contraband, and the smuggler behind the operation, will remain unknown.

On May 10, a truck was stopped at Mahim creek and contraband worth Rs. 20 lakhs seized. Here again, the driver was arrested, but the main culprit is yet to be caught. Similarly, at Murud near Revdanada, Alibag, customs authorities came into the picture after a huge consignment of contraband was successfully landed and part of it had been transported.

**FUTILE CHASE**

In the second week of May, a rickety, old customs patrol vessel made a futile chase of a fishing craft from Worli to Mahim creek. Right in front of the patrol vessel, the contraband packages were dumped into the sea. When the vessel was caught, it was empty.

Inadequate manpower with the customs, and ill-equipped patrol boats are blamed for the failure to intercept smugglers' craft on the seas.

The Norwegian patrol vessels with the preventive wing are a decade old and spare parts for them are not

available. Of six such vessels, only one or two are available for daily patrolling. Things are so bad that customs often use boats seized from smugglers, though they are not always seaworthy.

The government announced 10 years ago that patrol vessels would be built indigenously, but it is not known when the Indian patrol vessels will be delivered to the customs.

In the first week of March, the customs here claimed the biggest seizure of recent times. A fishing craft, "Imad Hussaini", carrying 11 kg. of contraband gold, textiles and wristwatches worth Rs. 73 lakhs, was impounded and the crew arrested. But during interrogation at Mole station inside the harbour, the tindal of the craft was alleged to have jumped out of the building and died. The investigation has come to a standstill in the absence of any clue.

In May, a vessel, "Khatif", with smuggled goods, worth Rs. 40 lakhs was seized and one person was picked up from a city hotel room on information given by a crew member. Investigations revealed he was a newcomer to smuggling.

Till a few years ago, he was a shepherd near the Kutch border. Smuggling across the border made him a multimillionaire with an establishment in Ahmedabad and another in Karachi.

Last year, a man and his son managed to smuggle in goods worth Rs. 2 crores in an oil tanker. The man who owns several buildings in Bombay, began his career as a dock labourer. The customs could not do much beyond imposing heavy fines, for want of strong evidence to withstand court scrutiny.

A new modus operandi for smugg-



lers is to get a stay from the Calcutta high court by claiming residence there. Prosecution then stays suspended. Bombay customs are saddled with at least six such cases.

In the case of the vessel, "Ariun Prasad", which was caught with contraband worth Rs. 1 crore near Arnalla Fort, Vasai, in February, though two persons were arrested in the city, the known leader of the gang is yet to be traced.

In spite of handicaps, the customs collectorate (preventive) succeeded in detaining 100 persons under COFEPOSA in Maharashtra alone in the first five months this year. In May alone, 19 had been detained under COFEPOSA.

The Bombay customs preventive collectorate has effected a total seizure of Rs. 7 crores till the end of April. Admittedly, the scale of smuggling, compared to the same period last

year, has not changed much and "smuggling continues on a fairly large scale", in the words of a highly placed source. Till the end of April, the total seizure made all over the country was around Rs. 20 crores.

If smuggling is at a "subdued level", officially claimed, it is attributed to the lack of finances for investment in smuggling. The meagre seizure made last month in Bombay is attributed to the riots. Contraband goods were reportedly diverted to some other centres.

Smugglers are not in a position to buy foreign exchange at a very high premium (the hawala rate for one US dollar ranges from Rs. 14 to Rs. 15). The other normal means of investment, namely smuggling of silver, is not attractive enough as the profit margin is very little. It is pointed out. No consignment of silver has yet been seized this year.

CSO: 4600/1920

## PROJECTS OF DEFENSE METALLURGICAL LABORATORY NOTED

Bombay THE TIMES OF INDIA in English 4 Jun 84 p 7

[Text]

HYDERABAD, June 3 (PTI).

A SUPERIOR anti-tank projectile developed by defence scientists here is expected to boost the fire power of the army's armoured corps.

A Rs. 70-crore factory is being set up in Tiruchirapalli to mass-produce this weapon which, according to the Defence Metallurgical Laboratory (DMRL), is superior to existing ammunition "both in terms of accuracy and penetration."

Fired from a gun, it can destroy a tank two km. away. The fin-stabilised armour-piercing discarding sabot (FSAPDS), as it is called, was developed by DMRL in collaboration with the armament research and development establishment in Pune.

Some 4,000 pieces of FSAPDS produced at DMRL, successfully passed the user trials before the government authorised commercial production of this projectile, the secret of which is the alloy penetrator developed at DMRL.

Also to be produced soon is the advanced composite armour developed by DMRL for India's main battle tank (MBT), two prototypes of which are under trial at Avadi near Madras.

Claimed to be one of the best in the world, the "Kunchan" armour, as it is called, is a light-weight ceramic, sandwiched between alloy steel plates. The exact composition is a secret.

## ADVANCED ARMOUR

A DMRL spokesman told PTI that apart from MBT, the Kunchan armour can also be used in existing Vijayanta tanks to improve their armour protection.

DMRL scientists have also produced a ceramic vest for protecting infantrymen against small-arm fire, and a monolithic steel armour called "jackal plate" for the combat vehicles to be produced at a factory at Medak near Hyderabad, under Soviet collaboration.

Armour for the Soviet-designed combat vehicles will be based on DMRL technology, the spokesman said. The alloy steel will be made by the state-owned Mishra Dhatu Nigam Ltd. and it will be rolled into plates by the Rourkela steel plant, he said.

The spokesman said DMRL has decided to embark on the development of altogether new materials, which may have vastly superior properties, to leap frog in materials technology.

The "directional solidification" technology developed at DMRL is to be used for producing the complicated turbine blades of a new aircraft planned for defence production, the spokesman said.

He said the country will soon save Rs. 200 million in foreign exchange, thanks to a technology for making brake-pad assemblies for aircraft. The brake-pad has to be changed after every 100 landings and DMRL developed an indigenous technology within nine months.

Hindustan Aeronautics Ltd. at Hy-

derabad will soon produce one million brake-pad rotor assemblies per year, freeing the country from the import of this vital system from the USSR.

## NOVEL PROCESS

DMRL has developed a novel process of liquid forging for making intricate components of aluminium, copper and ferrous alloys.

The technique, which combines casting and forging into a single step, leads to the production of almost finished components in one shot.

The DMRL liquid-forging technology will soon be used by Bharat Earthmovers Ltd. for manufacturing gear assemblies, currently imported.

A DMRL scientist explained that aluminium scrap could be directly turned into finished components using liquid forging. The scrap was added to molten aluminium and forced by a 100-tonne press through the die.

DMRL, which pioneered the powder metallurgy technique, is routinely using this method for producing finished components for the defence industry. In this method, super alloys are atomised to produce powders which are then compressed under high pressure, resulting in components of desired shape.

The spokesman said DMRL would soon commission the country's first titanium sponge plant of 100-tonne capacity. India would become a major producer of titanium metal with the proposed setting up of a 1,000-tonne capacity plant in Kerala, using the DMRL technology.

CONSTRUCTION OF BORDER FENCE REPORTED SHELVED

Madras THE HINDU in English 13 Jun 84 p 1

[Text] New Delhi, June 12--Construction of the barbed wire fence on the Indo-Bangladesh border seems to have been put off though even today a spokesman of the External Affairs Ministry maintained that India had not given any undertaking that it would not go ahead with it.

Bangladesh had objected to the construction of the fence on the ground that it was a defence structure. In terms of an Indo-Bangladesh agreement neither country can build a defence structure within 300 metres of the boundary line.

When workers deployed by the Central Public Works Department took up construction in the Assam sector of the border a couple of months ago. Bangladesh Rifles personnel intervened and fire was exchanged. Bangladesh also seized the survey equipment brought in by the CPWD.

Reduction of forces: Following these exchanges, there were meetings between the Directors-General of the Border Security Force and the Bangladesh Rifles to sort matters out but the construction work has not so far been resumed.

At the last meeting of the two Directors-General on Sunday it was decided that there would be a reduction of the forces deployed by both sides on the border.

India maintains that there has been no induction of fresh troops and only recruits had been brought to the border for training. It would reduce the number of these trainees. Bangladesh for its part would remove from the border some of the forces deployed by it.

The equipment seized from the CPWD personnel would be returned by Bangladesh.

India maintains that the barbed wire fence is not a defence structure and therefore there is no reason why it should refrain from putting it up.

CSO: 4600/1942

## BRIEFS

HARYANA CABINET CHANGES--Chandigarh, May 31--The Haryana Governor, Mr G.D. Tapase, on the advice of the Chief Minister today accepted the resignation of the State Excise and Taxation Minister, Mr Brij Mohan Singla from the Bhajan Lal Cabinet. Mr Singla tendered his resignation to the Chief Minister here last night following the Punjab and Haryana High Court verdict earlier in the day declaring his election void from the Jind constituency. The Chief Minister has decided to keep to himself the portfolios of Mr Singla. Mr Singla who was elected to the Assembly on a Lok Dal ticket in May 1982 later joined the Congress(I). Mr Singla said he would be filing an appeal against the verdict in the Supreme Court. [Text] [Madras THE HINDU in English 1 Jun 84 p 9]

MINES ACT EFFECTIVE--New Delhi, June 1--Employment has been banned under the Mines (Amendment) Act 1983, which came into effect today. It, however, provides for the recruitment of trainees not below the age of 16 to work under proper supervision in a mine or part of a mine. A committee is to be set up under the Act to inquire into accidents or other matters that may be referred to it by the Central Government and to consider proposals for making rules and regulations under the Act and to make suitable recommendations to the Central Government. Where a person employed in a mine discharged or dismissed from service or quits employment or is superannuated or dies while in service, he or his heirs or his nominee shall be entitled to wages in lieu of leave due to him. The amount payable would be calculated according to the specified rate. Payment of such wages shall be made by the owner, agent or manager of the mine. Payment has to be made within a period of five months. [Text] [Madras THE HINDU in English 1 Jun 84 p 9]

BALANCE OF TRADE--New Delhi, June 8--The balance of trade deficit during the first 11 months of 1983-84 works out to Rs 5,300 crores, according to official figures released today. This is somewhat higher than the corresponding figure of Rs 5,215 crores in the previous financial year. Exports for the period April 1983 to February 1984 are placed at Rs 8,632.9 crores (an increase of 12.2 percent) compared to Rs 7,692.8 crores for the corresponding period of 1982-83. Imports too show a 7.9 percent increase, at Rs 13,930 crores, as compared to Rs 12,907.7 crores for the corresponding period of 1982-83. There has been a substantial increase in the imports of certain essential commodities such as edible oils, petroleum products and foodgrains during 1983-84. There has also been an increase in the imports of capital

goods for investment purposes and raw materials for gems and jewellery to support export production. Similarly imports of non-ferrous metals and fertilisers have gone up. [Text] [Bombay THE TIMES OF INDIA in English 9 Jun 84 p 9]

HELICOPTERS FROM FRG--New Delhi, June 10 (UNI)--A deal to indigenously design and produce a very modern advanced light helicopter (ALH) for the Indian air force and the navy is now being finalised. The defence ministry is holding a final round of negotiations with the West German firm MBB, for transfer of full technology to help India mass produce these military helicopters. A contract is likely to be signed soon. According to the present schedule, the first Indian-made helicopters would take to the skies in 1989. The helicopter will have a gross weight of more than 4,000 kg. and will carry 14 troops and a wide-range armament. According to the air staff requirement (ASR) laid out by the IAF, the twin-engined ALH will have the capability for combat missions, communication duties, armed reconnaissance and surveillance both over land and the sea, casualty evacuation, crew rescue and external cargo carrying and training. The new helicopters will be manufactured at the Hindustan Aeronautics Limited (HAL) factory at Bangalore. The naval version of the ALH will have the capability to perform anti-submarine search and strike, search and rescue, reconnaissance and vertical replenishment at sea. The helicopter, with retractable tricycle under-carriage, will be powered by two Pratt and Whitney (Canada) PT6 or Tubermeca TM 333 turbo-shafts driving a four-blade hingeless main rotor. The German firm MBB is giving a new rotor design head India for the ALH. [Text] [Bombay THE TIMES OF INDIA in English 11 Jun 84 p 9]

BHUTANESE AMBASSADOR--The Ambassador-designate of the Kingdom of Bhutan, Mr Togyue S. Dorji presented his letter of credence to the President and Chief Martial Law Administrator, Lt Gen H.M. Ershad at Bangabhaban in Dhaka Monday morning, reports BSS. While presenting his credentials, the Bhutanese envoy said that the existing bonds of friendship between the two countries would be further strengthened in the coming years. Reciprocating, President Ershad assured the envoy of all cooperation during his tenure of office in Dhaka. [Text] [Dhaka THE BANGLADESH OBSERVER in English 29 May 84 p 1]

CPI-M TRIPURA WIN--Agartala, June 10--The CPI-(M), the major partner of the ruling Left Front in Tripura, obtained a decisive majority in 366 of the 558 gaon panchayats, results of which were declared tonight, reports PTI. The Congress(I), though improving its 1978 performance, trailed far behind securing a meagre 90 panchayats, while the Tripura Upojati Juba Samity secured 64. Independents, including those supported by the ruling Left Front, accounted for another 36. In two other panchayats there was a tie with no political group able to secure the majority of seats. [Text] [Calcutta THE STATESMAN in English 11 Jun 84 p 1]

GANDHI NEPHEW'S COMPLAINT--Allahabad, June 12--The Prime Minister, Mrs Indira Gandhi's nephew, Mr Sarosh Gandhi, has alleged in a writ petition before the Allahabad High Court that the local police were harassing him at the instance of the higher authorities to compel him to change his mind about joining the Rashtriya Sanjay Manch. The Vacation Judge, Mr Justice R.A. Misra, listed the petition for hearing on June 18 and directed the State counsel to file a counter affidavit by then. Mr Justice Misra directed the Senior Superintendent of Police and the District Magistrate Allahabad not to remove the firearms and other materials kept in an almirah at his residence till June 18 except in accordance with the provisions of law. According to the petitioner, he had recently announced his decision to join the Rashtriya Sanjay Manch, heeded by Mrs Maneka Gandhi. When he visited Malihabad on May 15 in connection with the by-election, police locked his room when he had gone out. He was given the key after lodging a complaint but found his room ransacked, the petition alleged. [Text] [Madras THE HINDU in English 13 Jun 84 p 9]

CPI-M DISSIDENTS--Hyderabad, June 7 (UNI)--A "parallel" Communist Party of India (Marxist) at the all-India level will be formed if the party politburo continued to pursue its "revisionist policies and disruptive organisational methods" against the spirit of the 1964 congress in the wake of the split from the CPI. This was stated at a news conference here today by Mr M. Omkar, secretary, Marxist Communist Party (MCP), Andhra Pradesh. He said that representatives of the MCP of Andhra Pradesh, Marxwadi Communist Party of Bihar and Rajasthan and Marxist front of Uttar Pradesh met at Warangal recently and reviewed the political developments in the CPI (M). These four Communist parties were break-away units of the CPI (M) formed by the expelled members of the respective states. [Text] [Bombay THE TIMES OF INDIA in English 8 Jun 84 p 7]

MIRAGE DELIVERY PLANS--New Delhi, June 4--The first Mirage-2000 multirole fighter will be delivered to the Indian Air Force in September. This was confirmed today by a representative of the French firm of Dassault-Breguet, Mr Yves Robins. The Indian Air Force had ordered 40 of these aircraft in October 1982. The remaining 39 (35 single seaters and four twin-seaters) will be delivered at regular intervals until the middle of 1986. More than 30 Mirages earmarked for the the IAF are at various production stages at the assembly plant at Bordeaux-Mérignac in southern France. The manufacturers claim that when the first Mirage-2000 squadron attains operational status the IAF will have an "unmatched deterrent" in the west Asian skies. The Mirage-2000 is capable of intercepting and destroying any known aircraft operating today whether it flies at very high altitude at three times the speed of sound or tries to sneak into national airspace at tree-top level. This capability, Mr Robins told newsmen, is mainly due to the advanced technology weapons system of the aircraft allowing long-range radar contact, long-range interception by Matra Super 530 air-to-air missiles and short-range dogfight superiority with Matra 550 magic missiles and guns. On May 30, the chief of staff of the IAF, Air Chief Marshal Dilbagh Singh, was invited to fly the Mirage-2000. At India's request, an option for licensed production of the Mirage-2000 in India has been granted by the French manufacturers and is at present under evaluation in New Delhi. The option includes transfer of Mirage-2000 technologies to the Indian aerospace industry. [Text] [Bombay THE TIMES OF INDIA in English 5 Jun 84 p 6]



MIRAGE ARMAMENT NEGOTIATIONS--The French company, Matra, is understood to be having prolonged discussions with the Indian authorities for the sale of the full range of Mirage-2000 armament, reports PTI. The talks, which have been going on for several months, have reportedly reached a crucial phase now. The armaments under negotiations include the 'Armat' anti-radiation missiles, the Super-530D and Magic-2 air-to-air missiles, laser-guided bombs, the 'Durandal' anti-runway weapons, retarded bombs and the F-4 rocket pod. Licensed production of some of these including the Magic, have also been discussed. [Text] [New Delhi PATRIOT in English 8 Jun 84 p 7]

STAND ON NAMIBIA--Bangkok, May 24 (PTI)--India has called for "resolute unilateral action" on the part of UN member states to force the pace in the struggle for Namibian independence. "The time has come to force the pace. South Africa has treated the will of the world community with utter scorn," Ambassador N. Krishnan of India told the extraordinary plenary meeting of the UN Council for Namibia here. "The world must act to isolate South Africa. If this cannot be done through established procedures in the UN charter, it must be done through more resolute unilateral action on the part of member states," Mr Krishnan said. Mr Krishnan read out a special message from Prime Minister and chairperson of the Non-Aligned Movement Indira Gandhi, which said, "apartheid cannot be reformed. It must be ended." [Text] [New Delhi PATRIOT in English 25 May 84 p 9]

TEACHERS IN NIGERIA--Lagos, May 31--Hundreds of Indian teachers have been served with quit notices in Nigeria as the majority of an estimated 50,000 fellow workers are faced with termination of jobs contracts, reports PTI. This grim situation is being faced by Indians in Nigeria because the country has a balance of payments problem coupled with declining oil export prices. Nigeria earns as much as 90% of its hard currency through the export of crude. To cap it all most Indian workers have been unable to send remittances home over the past six months since the sharp reduction in home remittances from 50% to 25% by non-Nigerians. Reduction in the home remittance by half is one of the austerity measures incorporated in Nigeria's budget for 1984, announced recently. Presenting the budget, the Nigerian military leader, Major-General Buhari, said the poor performance of the Nigerian economy was partly due to the depression in the oil market and mainly to mismanagement of the economy. [Text] [Calcutta THE STATESMAN in English 1 Jun 84 p 1]

INDO-PAKISTAN TALKS--New Delhi, June 5--The second meeting of the Indo-Pakistan Joint Commission will be held here from August 6 to 9, it was officially announced here today. The agenda for the meeting which was informally discussed at the recent meeting of the Foreign Secretaries in Islamabad, will be finalised soon.--PTI [Text] [Madras THE HINDU in English 6 Jun 84 p 10]



REPUBLICAN FACTION CHIEF--Nagpur, June 4--Mr Datta Katti of Karnataka has been elected president of the Republican Party of India (Khobragade group). The central executive committee meeting here yesterday also elected Mrs J. Ishwaribai as the general-secretary and Mr Suryakant Dongre and Mr Harish-chandra Ramteke as the additional general secretaries. It adopted a resolution not to support the ruling Congress(I) in any election.--PTI [Text] [Madras THE HINDU in English 5 Jun 84 p 10]

MESSAGE TO NIGERIA--Lagos, May 30--The Prime Minister, Mrs Indira Gandhi, has sent a message to the Nigerian military ruler, expressing concern about the safety of Indians living there, diplomatic sources said. The sources said the message, delivered on Tuesday to the Nigerian military head of state, Major-General Mohammed Buhari, expressed the concern against the background of the Nigerian newspaper attacks on Indian and Lebanese communities here since the military took over power after a coup on December 31. Sources in the Indian community said they also felt victimised in a plague of armed robberies in recent months and that many wives and children had been sent out of the country for safety. Official Nigerian sources said there was no special worry over the Indian community's role in business and professions here.--Reuter [Text] [Madras THE HINDU in English 31 May 84 p 9]

CSO: 4600/1935

## FACILITIES PROVIDED FOR IMPORT TRANSPORTATION

LD032052 Tehran Domestic Service in Persian 1630 GMT 3 Jul 84

[Text] The deputy minister of roads and transport, who is also supervisor of the national transportation committee, is visiting Nowshahr to take part in the seminar on maritime activities. In an interview he said: In order to facilitate the transportation of goods, 3,500 trucks will be added to the national transportation and distribution network in the next 3 months. He said: As the result of important changes that have taken place in the national transportation system during the first months of the current year, 5,116,000 tonnes of various types of goods have been transported inside the country from various ports of entry: a large part of this has been transported to consumption centers. This figure shows a considerable increase compared to the same period last year.

The deputy minister of roads and transport added: During the current year new locomotives have been commissioned by the railway in order to facilitate goods transportation. As a result of this important step the accumulation of goods in ports has been reduced, and we are now not faced with any particular difficulty in the clearance and transportation of goods. In order to prevent the payment of extra charges to ships, efforts have also been made in order to ensure that imports are brought in with proper planning. During the current year an allocation in excess of 900 million rials has been made for the construction of additional facilities in the southern ports of the country for truck drivers. Attempts have also been made so that truck drivers can at least receive the essential spare parts for trucks and trailers more easily.

CSO: 4640/309

PAKISTANI CONSTRUCTION COMPANY COMPLETES IRAQI PROJECTS

GF031630 Karachi DAWN in English 29 Jun 84 p 1

[From "The Economic and Business Review Supplement"]

[Excerpt] Lahore, 28 June (PPI)--The Mechanised Construction of Pakistan (MCP), a state construction company, has completed two large irrigation reclamation and tile drainage projects in Iraq while the third project, on which 95 per cent work has been done, will be completed by the end of this year.

PPI learnt here today that MCP has completed these projects at a cost of Rs2,000 millions. More than 2,000 MCP engineers and workers worked round the clock in adverse climatic conditions at these projects and used most modern and sophisticated construction equipment and machinery. War between Iraq and Iran, however, caused delay due to non-availability of essential items like POL [Petroleum Oil], cement, steel and spare parts otherwise these projects could have been completed much earlier.

The quality of construction work at these projects has invariably been appreciated by the ministers and other high officials of the Government of Iraq and they have paid tributes to the technological skill and efficiency of the MCP workers and engineers.

At home, MCP has completed several large projects of national importance including Simly Dam, Khanpur Dam, Hub Dam, RCD [Regional Corporation for Development] highway while the work is in progress on the construction of Dera Darya Khan Bridge project across the Indus River, a portion of Chashma Right Bank Canal, Taxila-Chablat Road and some drains in the Punjab and Sind.

CSO: 4600/640

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**3 AUGUST 1984**